

Historic, archived document

Do not assume content reflects current scientific knowledge, policies, or practices.

a 521
A83054

5



United States
Department of
Agriculture

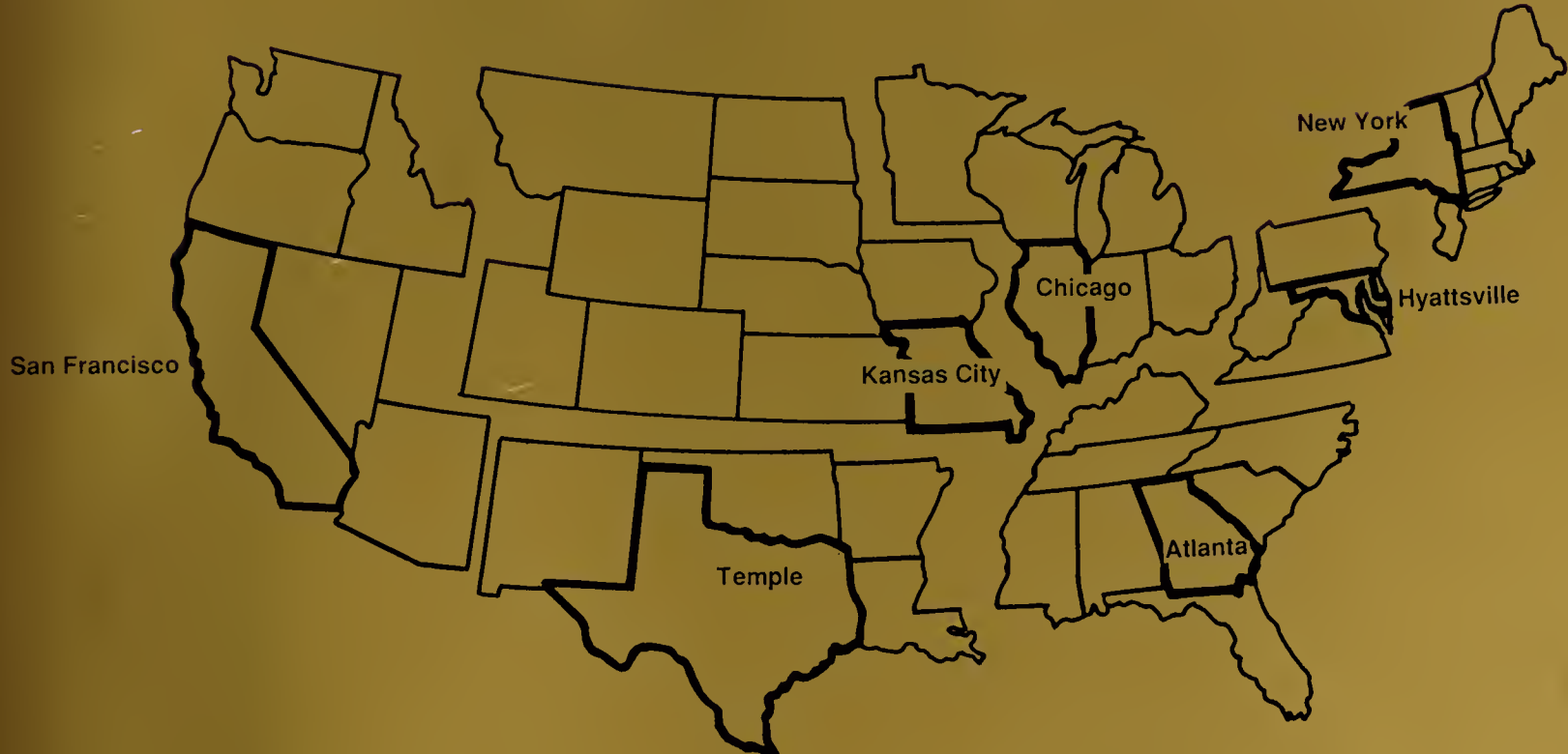
Office of
Inspector
General

Office of Inspector General FY 1992 Annual Plan

October 1, 1991 - September 30, 1992

NOV 15 1991
ACQ./SERIALS BRANCH

NOV 15 1991
NAT'L AGRIC. LIBRARY
RECEIVED



OFFICE OF INSPECTOR GENERAL

FY 1992 ANNUAL PLAN

October 1, 1991 - September 30, 1992

FOREWORD

This is the Office of Inspector General (OIG) Annual Plan for fiscal year 1992. It describes the audit and investigative work we anticipate conducting this year as we carry out our mission of detecting and preventing fraud, waste, and mismanagement in U.S. Department of Agriculture (USDA) programs.

To ensure that we provide adequate audit and investigative coverage for the more than 300 programs operated by the Department, we use a strategic planning process. A major component of this process is the solicitation of suggestions and concerns from the Under and Assistant Secretaries and agency heads, as well as field managers and staff, regarding programs or aspects of program operations that should be reviewed. As always, we value their input. Other factors are considered as well, including the dollar value of programs and the potential dollar loss, new or changed legislative or regulatory requirements, and prior audit and investigative findings. Our strategic planning process enables us to identify and focus on those programs most vulnerable to fraud and waste, or those where the largest dollar losses are most likely to occur. In addition, it assists us in maximizing the use of our audit and investigative resources.

During fiscal year 1992, we plan to focus our audit efforts on entitlement programs, consumer protection issues, large payments to farmers, export credit programs, and guaranteed loan programs. Our efforts in these areas will be impacted by the Chief Financial Officers Act which requires that we audit the Department's financial statements.

Our investigative priorities include the timely and thorough investigation of threats to the health and safety of the public, employee integrity issues, and fraud in the loan, regulatory, and benefit programs.

As the reader will note, we have also "planned for the unplanned" in this document; that is, we have set aside time to deal with those unexpected, critical issues that inevitably arise during the course of a year. We believe this flexibility is necessary for us to be effective in our mission and responsive to high priority issues as they arise. We welcome the reader's suggestions for areas to which the OIG might give attention in future audit and investigative activities.


LEON SNEAD

INSPECTOR GENERAL

CONTENTS

	Page
The OIG Mission	1
Audit and Investigative Universe.....	2
Strategic Planning.....	2
USDA Organizational Chart	3
Distribution of OIG Resources	
By Under and Assistant Secretary	4
By Agency	5
Investigations.....	7
Investigative Planning.....	7
The Investigative Process.....	8
Hotline.....	9
OIG Investigations Resources By	
Under and Assistant Secretary	11
Distribution of Investigative	
Resources By Agency.....	12
Audit.....	13
Audit Planning.....	14
The Audit Process.....	14
OIG Audit Resources By	
Under and Assistant Secretary	17
Distribution of Audit Resources By Agency.....	18

CONTENTS (continued)

Page

Appendix

I.	OIG Strategies.....	21
	Farm Programs.....	21
	Market Development.....	24
	Direct/Insured Loans	26
	Guaranteed Loans.....	28
	Rural Development.....	29
	Insurance	30
	Entitlement Programs	31
	Consumer Protection.....	33
	Forest Service	35
	Management/Control of Environmental Hazards	36
	Research and Technology Transfer	38
	Procurement/Contracts	39
	Accounting and Financial Management.....	40
	ADP Systems	41
	Employee Integrity.....	43
	Program Compliance, Economy, and Efficiency.....	44
II.	Major Audits Planned	47
III.	List of All Audits Planned	71

ACRONYMS

ADP	Automated Data Processing
AMS	Agricultural Marketing Service
APHIS	Animal and Plant Health Inspection Service
ASCS	Agricultural Stabilization and Conservation Service
CFO	Chief Financial Officers
CCC	Commodity Credit Corporation
CSRS	Cooperative State Research Service
FAS	Foreign Agricultural Service
FCIC	Federal Crop Insurance Corporation
FGIS	Federal Grain Inspection Service
FmHA	Farmers Home Administration
FNS	Food and Nutrition Service
FS	Forest Service
FSIS	Food Safety and Inspection Service
FY	Fiscal Year
NASS	National Agricultural Statistics Service
OIG	Office of Inspector General
OFM	Office of Finance and Management
REA	Rural Electrification Administration
USDA	U.S. Department of Agriculture

THE OIG MISSION

The Office of Inspector General's (OIG) mission is to prevent and detect fraud, waste, and mismanagement in U.S. Department of Agriculture (USDA) programs. OIG was legislatively established in 1978 with the enactment of the Inspector General Act (Public Law 95-452). The Act requires that the Inspector General

- perform audits and investigations of the Department's programs and operations,
- make suggestions and recommendations that will help the USDA agencies improve their management and operations,
- review existing and proposed regulations and legislation and make appropriate recommendations,
- be involved in activities that promote economy, efficiency, and effectiveness or that prevent and detect fraud, waste, and mismanagement in programs and operations, both within USDA and in non-Federal entities that receive USDA assistance, and
- report OIG activities to the Secretary and the U.S. Congress semiannually on March 31 and September 30 each year.

We accomplish this mission by

- investigating allegations of fraud, waste, and mismanagement,
- using preventive audit approaches, such as reviews of systems under development,
- conducting audits of the adequacy and vulnerability of management and program control systems, and
- auditing the adequacy of large USDA payments, such as insurance and deficiency payments, major loans, and retailer food stamp redemptions.

OIG is headquartered in Washington, D.C., and has regional offices located in San Francisco, California; Atlanta, Georgia; Chicago, Illinois; Hyattsville, Maryland; Kansas City, Missouri; New York, New York; and Temple, Texas. In addition, the Financial Management and ADP Audit Operations staff is located in Kansas City, Missouri.

We emphasize service to management at all levels of the Department by briefing senior Department officials on the results of major audits and investigations. As a member of the President's Council on Integrity and Efficiency, we also participate with other Inspectors General in multiagency projects where the issues are crosscutting and need to be addressed governmentwide.

AUDIT AND INVESTIGATIVE UNIVERSE

USDA's FY 1992 budget provides for an annual program level of over \$77 billion, encompassing over 40 agencies with more than 300 programs and 2 major computer centers. This program level represents the gross financial value of benefits provided to the public by USDA. These benefits may be in the form of financial assistance through grants, guaranteed or direct loans, cost-sharing, professional services such as research or technical assistance, or in-kind benefits such as commodities.

USDA programs are delivered in every State, county, and city in the Nation by more than 113,000 Federal and thousands of non-Federal government employees. In addition, the Secretary of Agriculture has appointed agricultural attaches, counselors, and ministers to 72 U.S. embassies. USDA is involved in extensive food quality and safety issues, food aid assistance programs, market development activities, and a wide range of export promotion programs.

The audit and investigative universe is comprised of programs, functions, and organizations and the contractors and grantees for which USDA is responsible. We have developed profiles of the major USDA components and functional areas. These profiles include the components' missions and programs, and give information on their budgets and operational environments, applicable laws, regulations and other instructions, Congressional interest, and a history of previous OIG work.

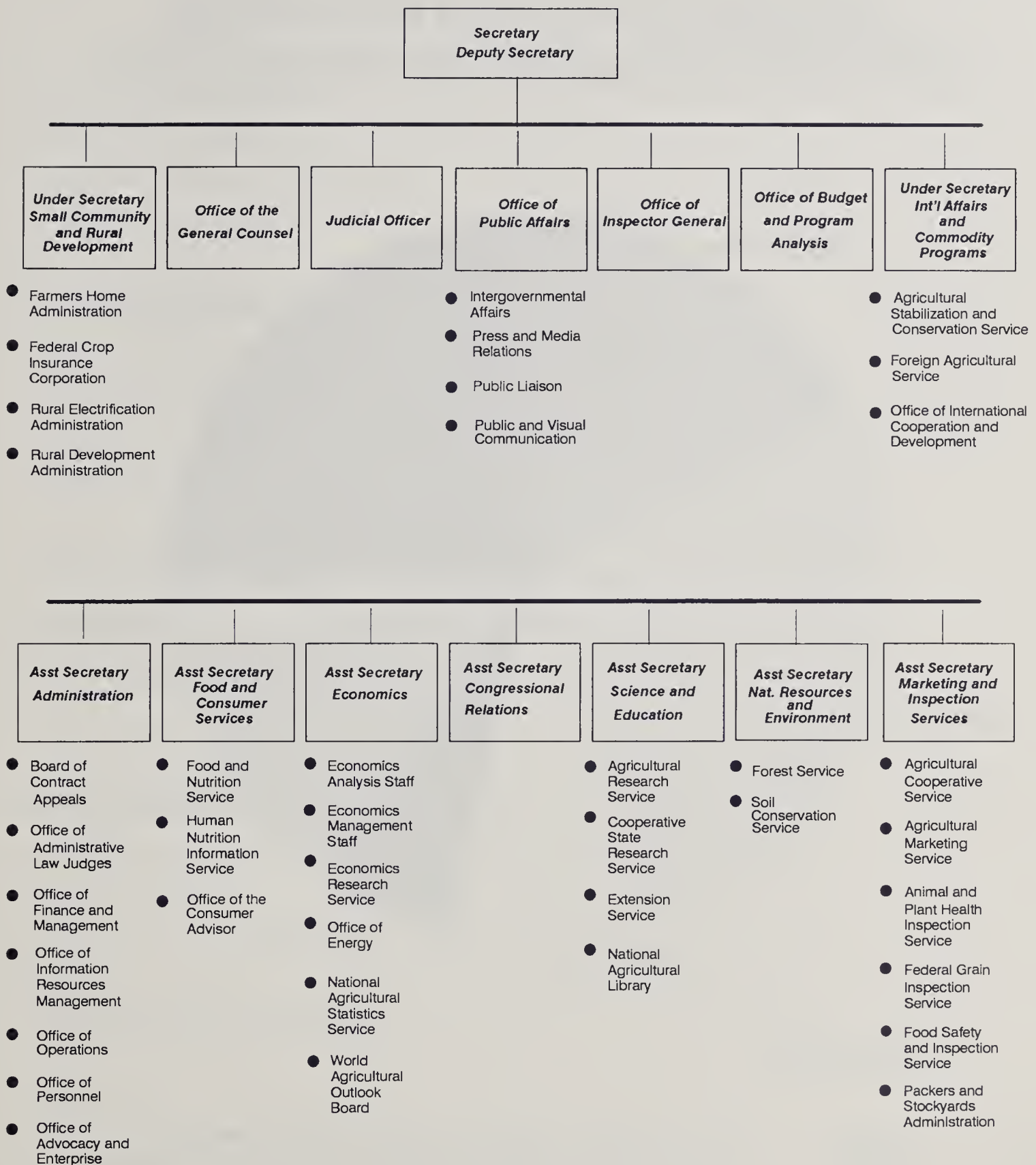
STRATEGIC PLANNING

To ensure that, over time, appropriate audit and investigative coverage of USDA programs and activities is provided, we have identified strategic areas which consolidate activities that most warrant our attention. Each year we reevaluate the strategic areas and establish priorities for the coming year.

Descriptions of the strategies and examples of audit and investigative work within the strategies are provided in Appendix I. Appendices II and III include a description of the major audits planned and a list of all audits included in the Plan.

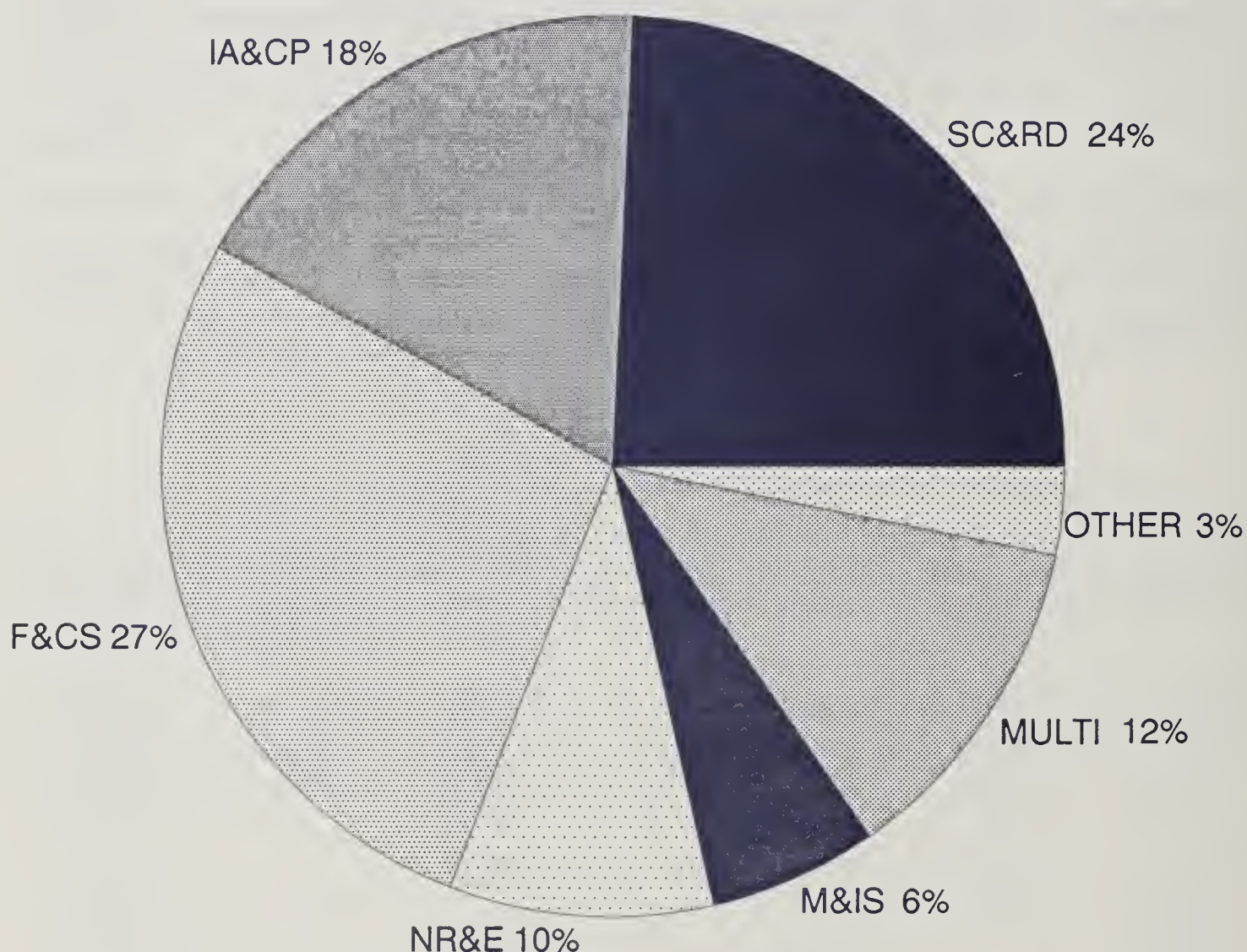
USDA ORGANIZATIONAL CHART

As of 6/91



FY 1992 ANNUAL PLAN

DISTRIBUTION OF OIG RESOURCES BY UNDER AND ASSISTANT SECRETARIES



LEGEND

SC&RD	--	Under Secretary, Small Community and Rural Development
IA&CP	--	Under Secretary, International Affairs and Commodity Programs
F&CS	--	Assistant Secretary, Food and Consumer Services
NR&E	--	Assistant Secretary, Natural Resources and Environment
M&IS	--	Assistant Secretary, Marketing and Inspection Services

**DISTRIBUTION OF OFFICE OF INSPECTOR GENERAL RESOURCES
BY AGENCY
FY 1992 PLANNED**

AGENCY	RESOURCE DISTRIBUTION
<u>INTERNATIONAL AFFAIRS & COMMODITY PROGRAMS</u>	
Agricultural Stabilization & Conservation Service	15%
Foreign Agricultural Service	3%
<u>SMALL COMMUNITY & RURAL DEVELOPMENT</u>	
Farmers Home Administration	21%
Federal Crop Insurance Corporation	2%
Rural Electrification Administration	1%
<u>MARKETING AND INSPECTION SERVICES</u>	
Agricultural Marketing Service	1%
Animal & Plant Health Inspection Service	2%
Federal Grain Inspection Service	*
Food Safety & Inspection Service	3%
<u>NATURAL RESOURCES AND ENVIRONMENT</u>	
Forest Service	9%
Soil Conservation Service	1%
<u>FOOD & CONSUMER SERVICES</u>	
Food and Nutrition Service	27%
<u>MULTIPLE AGENCY</u>	12%
<u>OTHER</u>	
ADMINISTRATION, ECONOMICS, OGC, SCIENCE & EDUCATION	3%

* Less than 1%

INVESTIGATIONS

Investigations are authorized inquiries to gather the facts needed to resolve an allegation that someone has violated a Federal criminal law or administrative regulation pertaining to a USDA program or operation.

OIG Special Agents are highly trained criminal investigators who specialize in the investigation of complex white collar crimes involving USDA programs. Each investigator receives initial training at the Federal Law Enforcement Training Center in Glynco, Georgia. Additional training in law enforcement procedures, investigative techniques, and USDA program regulations is provided throughout the career of the investigator.

INVESTIGATIVE PLANNING

The investigative planning process focuses on identifying program vulnerabilities and investigative priorities, then establishes general guidelines for the allocation of our investigative resources. It includes an analysis of historical patterns, trends, and results; a review of recent legislative, regulatory, and program changes; consideration of U.S. Department of Justice prosecutive guidelines; consideration of budgetary and staffing restrictions; and coordination with audit activities. Through the investigative planning process, we have identified priorities that include the timely and thorough investigation of

- threats to the health and safety of the public,
- employee integrity issues involving allegations of bribery, conflict of interest, embezzlement, theft, or collusion with program participants, and
- fraud in the loan, regulatory, and benefit programs.

In preparing our plan for FY 1992, we analyzed data on requests for investigation received in previous years, the number of cases opened, and the results of those investigations. We reviewed recent legislative, regulatory, and program changes, and contacted each agency within USDA for suggestions and recommendations. We also reviewed audit plans for FY 1992 and considered our budget and anticipated staffing. Based on these considerations, we developed general guidelines for emphasizing areas for investigation.

These guidelines will be used during FY 1992 by our regional managers during their reviews of investigative referrals preparatory to making their case-opening decisions. Additional criteria used to determine whether to initiate an investigation include the potential program impact, the likelihood of criminal prosecution, the likelihood of large civil recovery, and the deterrent value.

The majority of the investigations are based on referrals from USDA agencies. Departmental Regulation 1710-2 requires that USDA agencies expeditiously report known or suspected violations of law or regulations to OIG. Activities which must be reported to OIG include

- submission of false claims and false or fraudulent statements by employees, producers, vendors, contractors, borrowers, cooperators, and others,
- conspiracy to defraud the United States,
- theft, damage, or conversion of Government commodities or other property,
- concealment, removal, obliteration, falsification, forgery, alteration, or destruction of official documents,
- misappropriation or embezzlement of Government funds,
- bribery or attempted bribery of USDA employees,
- conflict of interest,
- violations of the Food Stamp Act or other statutes pertaining to USDA nutritional programs, and
- certain criminal violations of the Federal Meat Inspection Act, the Poultry Products Inspection Act, the Egg Products Inspection Act, the Agricultural Marketing Act, the Federal Grain Inspection Act, and other statutes pertaining to the wholesomeness and quality of food products.

THE INVESTIGATIVE PROCESS

The investigative process begins with the receipt of an allegation of fraud or mismanagement. Because a decision to initiate an investigation must be made within a few days of each referral, OIG cannot schedule specific investigations in its annual plan.

Investigations are opened in accordance with priorities and general guidelines established at the headquarters level and in consideration of prosecutive guidelines established by the local U.S. Attorneys for the U.S. Department of Justice.

After an investigation is opened, it is assigned to a Special Agent who prepares a plan of investigation. This planning process includes a review of the criminal and civil statutes, program regulations, and departmental or agency policies that may be involved. The Special Agent then conducts the investigation, which may require interviewing witnesses, reviewing and analyzing records, obtaining physical evidence, and conducting surveillances and/or undercover operations. If the Special Agent determines that a crime may have been committed, he or she will discuss the investigation with a Federal and/or local prosecutor to determine if prosecution will be pursued. Upon completion of the investigation, the Special Agent prepares an investigative report summarizing the facts disclosed during the investigation.

The investigative report is distributed to prosecuting attorneys and to agency officials who may have an official interest in the results of the investigation. If the prosecuting attorney decides to proceed with a criminal or civil prosecution, the Special Agent assists the attorney in any preparation for court proceedings that may be required. This assistance may include serving subpoenas, locating witnesses, executing arrest and/or search warrants, and testifying before a grand jury or at a trial.

At the conclusion of any court actions, we advise the administrative agency involved of the court results and monitor any corrective or disciplinary action that may be taken by the agency. OIG collects data summarizing the court and administrative results of its investigations and includes this data in its semiannual report to the U.S. Congress.

HOTLINE

The OIG Hotline, mandated by the Inspector General Act of 1978, is a toll-free telephone number which anyone may call with knowledge of fraud, mismanagement, or waste in a USDA program or of misconduct by a USDA employee. Callers may choose to remain anonymous or request confidentiality.

We have established three Hotline numbers for use by the public and departmental employees. These numbers are:

800-424-9121

This is a toll-free number
to be used outside
Washington, D.C.

202-475-5022

This number is to be used
in the Washington, D.C.
metropolitan area

202-447-5202

Telecommunications device
for the hearing impaired.

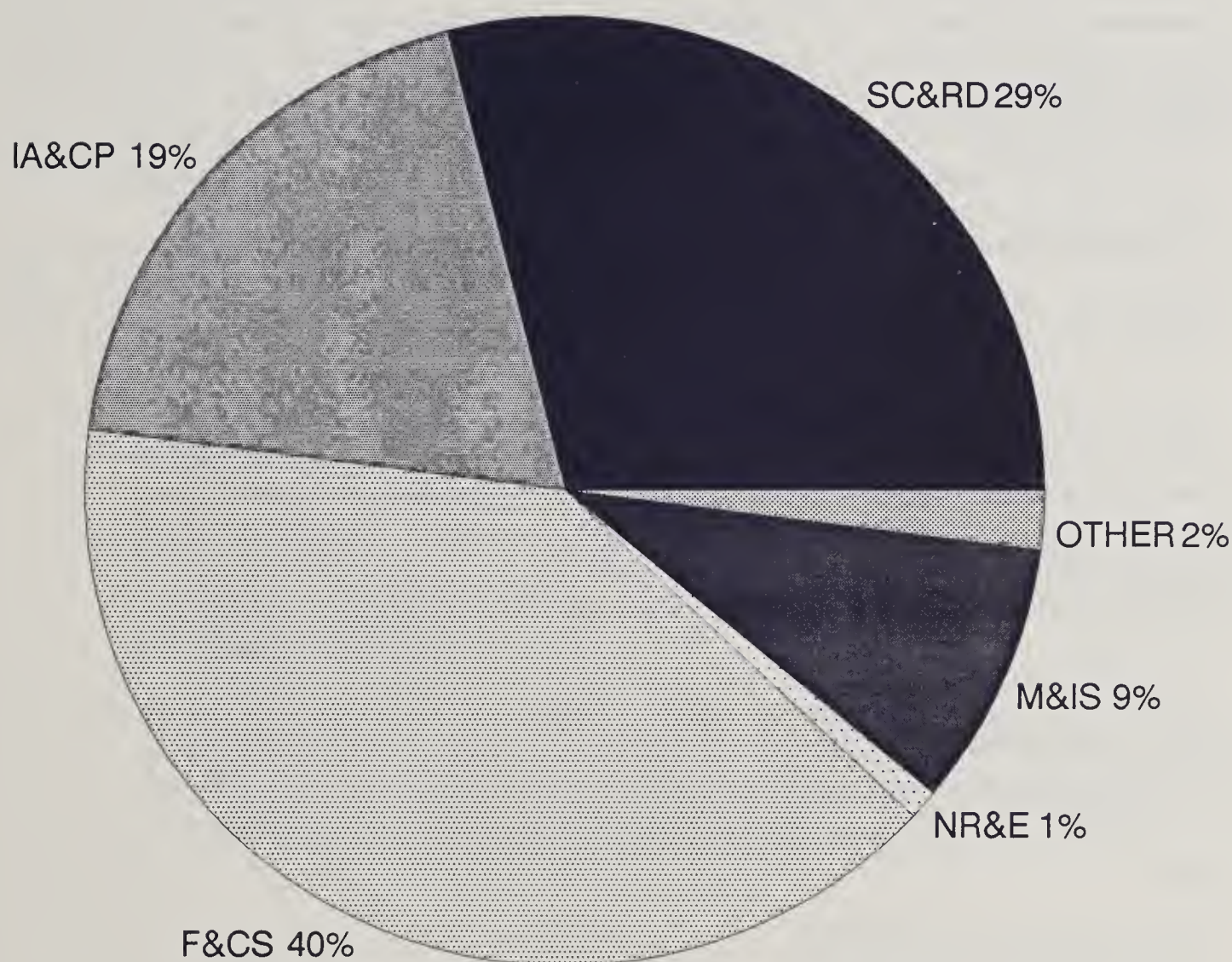
USDA employees who receive offers of bribes or gratuities may contact an OIG Special Agent by calling the direct line at 202-447-7257 or FTS 447-7257. Complainants may also write to the Office of Inspector General at P.O. Box 23399, Washington, D.C. 20026.

The OIG Hotline staff is responsible for receiving, reviewing, and analyzing complaints and referring them for inquiry and appropriate action. Complaints are investigated or audited by OIG, or are referred to the USDA agency responsible for the program or employee in question, or to the responsible Federal, State, or local agency. If OIG refers the complaint to the responsible USDA agency, we review the agency's response to ensure that proper action is taken on each complaint.

The number of Hotline complaints received has increased steadily over the years, from 674 in 1983 to over 2,300 in the first 9 months of 1991. In FY 1989 we implemented a fully automated complaint tracking system. In FY 1991 we added computer software to our telephone system which answers, routes, and, if necessary, records incoming calls. This diverts calls not intended for the Hotline, lessens the waiting period for callers, and allows our complaint analysts to continue to receive and process the increasing number of complaints. We have also installed a telecommunications device to enable the hearing impaired to communicate with the Hotline.

FY 1992 ANNUAL PLAN

OIG INVESTIGATIONS RESOURCES BY UNDER AND ASSISTANT SECRETARIES



LEGEND

SC&RD	--	Under Secretary, Small Community and Rural Development
IA&CP	--	Under Secretary, International Affairs and Commodity Programs
F&CS	--	Assistant Secretary, Food and Consumer Services
NR&E	--	Assistant Secretary, Natural Resources and Environment
M&IS	--	Assistant Secretary, Marketing and Inspection Services

DISTRIBUTION OF INVESTIGATIVE RESOURCES
BY AGENCY
FY 1992 PLANNED

AGENCY	RESOURCE DISTRIBUTION
<u>INTERNATIONAL AFFAIRS & COMMODITY PROGRAMS</u>	
Agricultural Stabilization & Conservation Service	14%
Foreign Agricultural Service	5%
<u>SMALL COMMUNITY & RURAL DEVELOPMENT</u>	
Farmers Home Administration	25%
Federal Crop Insurance Corporation	3%
Rural Electrification Administration	1%
<u>MARKETING AND INSPECTION SERVICES</u>	
Agricultural Marketing Service	1%
Animal & Plant Health Inspection Service	2%
Federal Grain Inspection Service	*
Food Safety & Inspection Service	6%
<u>NATURAL RESOURCES AND ENVIRONMENT</u>	
Forest Service	1%
Soil Conservation Service	*
<u>FOOD & CONSUMER SERVICES</u>	
Food and Nutrition Service	40%
<u>OTHER</u>	
ADMINISTRATION, ECONOMICS, OGC, SCIENCE & EDUCATION	2%

* Less than 1%

AUDIT

Audit is the examination and verification of the economy and efficiency of an agency's operations, its effectiveness in achieving program results, its compliance with applicable laws and regulations, and its fairness in reporting its financial operations. In addition to audits performed by OIG staff, we contract with certified public accountants for some audits and oversee the quality of the work of auditors under contract to other agencies of the Department.

OIG auditors conduct their work in accordance with the "Government Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities and Functions" (Yellow Book), published by the General Accounting Office; the American Institute of Certified Public Accountants (AICPA) Professional Standards; and AICPA Statements on Auditing Standards. We have established and implemented a program to ensure that our staff maintains professional proficiency through continuing education and training. Training directly related to the Government auditing environment is provided to newly hired, intermediate, and advanced level OIG auditors through in-house Audit Academies.

The Government Auditing Standards describe the types of audits that Government and nongovernment organizations conduct and the audit standards to be followed. Government audits are classified as financial or performance audits.

- FINANCIAL AUDITS:

Financial statement audits determine whether the financial statements of an audited entity present fairly the financial position, results of operations and cash flows, or changes in financial position in accordance with generally accepted accounting principles; and whether the entity has complied with laws and regulations for those transactions and events that may have a material effect on the financial statements.

Financial related audits determine whether financial reports and related items, such as elements, accounts, or funds are fairly presented; whether financial information is presented in accordance with established or stated criteria; and whether the entity has adhered to specific financial compliance requirements.

- **PERFORMANCE AUDITS**

Economy and efficiency audits determine whether the entity is acquiring, protecting, and using its resources economically and efficiently; what the causes of any inefficiencies or uneconomical practices are; and whether the entity has complied with laws and regulations concerning matters of economy and efficiency.

Program audits determine whether the desired results or benefits established by the legislature or any other authorizing body are being achieved; whether the organizations, programs, activities, or functions are effective; and whether the entity has complied with laws and regulations applicable to the program.

AUDIT PLANNING

Each year, we begin the planning process by reviewing and updating our profiles of the USDA programs and activities and by requesting audit suggestions from the Under and Assistant Secretaries, agency heads and OIG staff. In prioritizing the suggestions for inclusion in the FY 1992 Plan, we considered

- current and potential dollar magnitude,
- audit requirements established by law,
- statutory and regulatory requirements,
- adequacy of internal control systems,
- newness, changed conditions, or sensitivity of the organization, program activity, or function,
- extent of Federal participation in terms of resources or regulatory authority,
- management needs to be met,
- prior audit history,
- prior investigation history, and
- timeliness, reliability, scope, and results of audits or evaluations performed by others.

THE AUDIT PROCESS

The phases of the audit process include the following.

- **Audit Approach**

Development of an audit approach includes determining the reasons for selecting the audit subject, overall audit objectives and scope, locations to be audited, OIG staff who will perform the audit, staff days needed, other resources required (e.g., specialists with timber or banking expertise) to perform the audit, and benefits anticipated from the audit.

- Audit Notification

Audit notification to the appropriate USDA agency or office informs auditees of our intent to begin an audit.

- Entrance Conference

Entrance conferences are held by OIG staff to advise agency officials of the purpose and objectives of the audit, its scope, and the general methodology and procedures to be followed.

- Survey Work

Survey work is performed to gather information and identify problems.

- Field Audit Work

Detailed audit testing and interviewing are undertaken if the survey indicates the need to learn more about conditions noted.

- Discussion Draft Report and Exit Conference

At the conclusion of an audit, a formal exit conference is held with the agency's principal officials to review the audit results presented in a discussion draft report. This gives management an opportunity to confirm information, to ask questions, and to provide any necessary clarifying data.

- Official Draft Report

After the exit conference, necessary changes to the draft report are made and an official draft report is presented to the agency for final written comments. The agency is generally given 30 days to respond to the official draft report.

- Final Report

A final report which contains the agency's written response is prepared and the final audit report is issued.

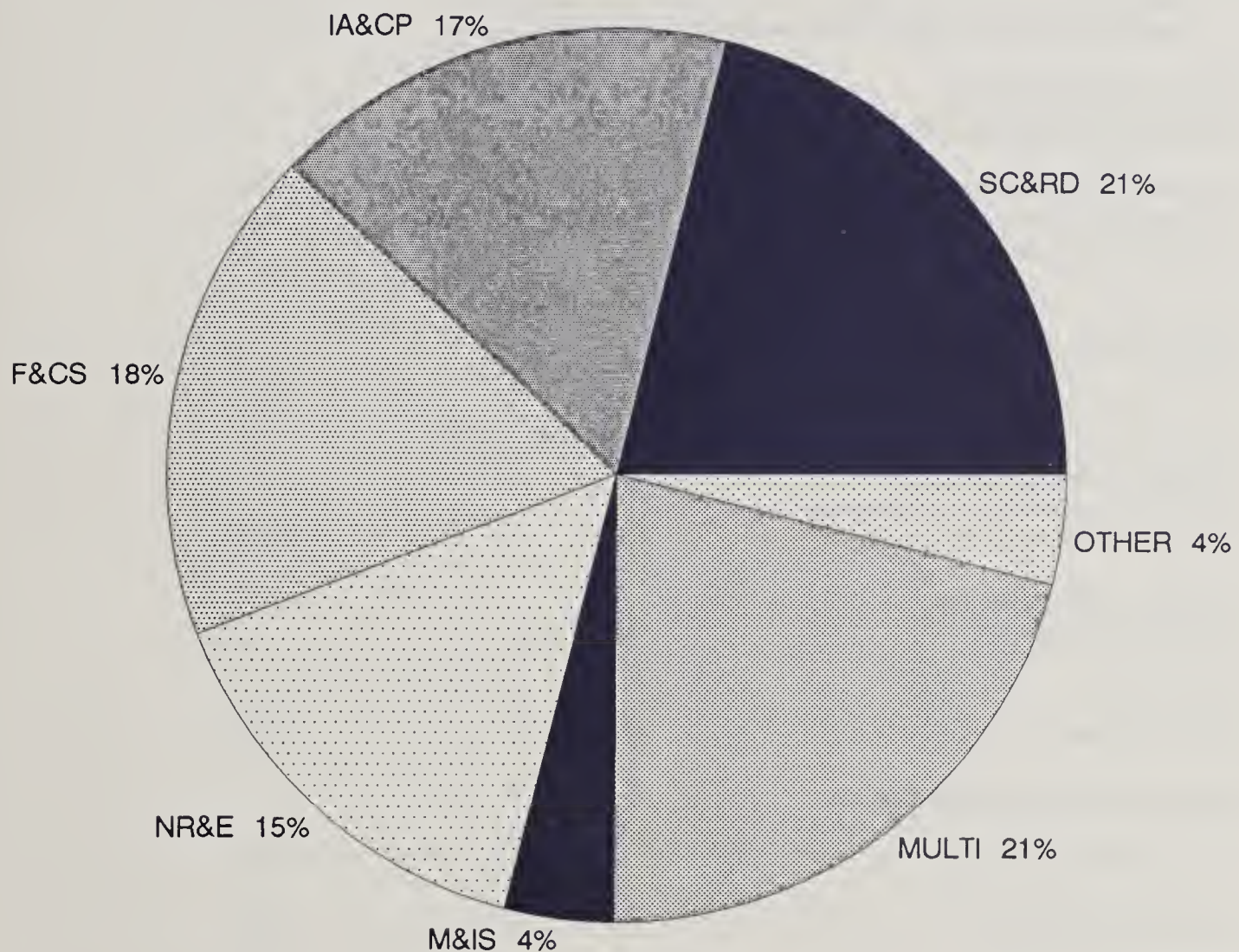
- Management Decision and Final Action

A management decision (agreement to take action on an audit recommendation) must be reached on all report recommendations within 6 months of issuance of the report. Final action (completion of all corrective actions) must be accomplished within 1 year of the final management decision. OIG tracks management's actions through the management decision; the Office of Finance and Management tracks actions from the management decision to completion of final action. The status of management decisions is included in OIG's semiannual report to the U.S. Congress.

FY 1992 ANNUAL PLAN

OIG AUDIT RESOURCES

BY UNDER AND ASSISTANT SECRETARIES



LEGEND

SC&RD	--	Under Secretary, Small Community and Rural Development
IA&CP	--	Under Secretary, International Affairs and Commodity Programs
F&CS	--	Assistant Secretary, Food and Consumer Services
NR&E	--	Assistant Secretary, Natural Resources and Environment
M&IS	--	Assistant Secretary, Marketing and Inspection Services

DISTRIBUTION OF AUDIT RESOURCES
BY AGENCY
FY 1992 PLANNED

AGENCY	RESOURCE DISTRIBUTION
<u>INTERNATIONAL AFFAIRS & COMMODITY PROGRAMS</u>	
Agricultural Stabilization & Conservation Service	16%
Foreign Agricultural Service/Office of International Cooperation & Development	1%
<u>SMALL COMMUNITY & RURAL DEVELOPMENT</u>	
Farmers Home Administration	19%
Federal Crop Insurance Corporation	1%
Rural Electrification Administration	1%
<u>MARKETING AND INSPECTION SERVICES</u>	
Agricultural Marketing Service	2%
Animal & Plant Health Inspection Service	1%
Federal Grain Inspection Service	*
Packers & Stockyards Administration	*
Food Safety & Inspection Service	1%
<u>NATURAL RESOURCES AND ENVIRONMENT</u>	
Forest Service	14%
Soil Conservation Service	1%
<u>FOOD & CONSUMER SERVICES</u>	
Food & Nutrition Service	18%
<u>MULTIPLE AGENCY</u>	21%
<u>OTHER</u>	
ADMINISTRATION, ECONOMICS, OGC, SCIENCE & EDUCATION	4%

* Less than 1%

APPENDIX I

OIG STRATEGIES

OIG STRATEGIES

The FY 1992 Strategies are:

- FARM PROGRAMS
- MARKET DEVELOPMENT
- DIRECT/INSURED LOANS
- GUARANTEED LOANS
- RURAL DEVELOPMENT
- INSURANCE
- ENTITLEMENT PROGRAMS
- CONSUMER PROTECTION
- FOREST SERVICE
- MANAGEMENT/CONTROL OF ENVIRONMENTAL HAZARDS
- RESEARCH AND TECHNOLOGY TRANSFER
- PROCUREMENT/CONTRACTS
- ACCOUNTING AND FINANCIAL MANAGEMENT
- ADP SYSTEMS
- EMPLOYEE INTEGRITY
- PROGRAM COMPLIANCE, ECONOMY, AND EFFICIENCY

Descriptions of the strategies follow with examples of audit and investigative work recently performed and planned for FY 1992.

FARM PROGRAMS

The Farm Programs strategy encompasses the numerous farm commodity and conservation programs administered by the Agricultural Stabilization and Conservation Service (ASCS) and funded primarily through the Commodity Credit Corporation (CCC), a Government entity for which ASCS provides operating personnel.

The mission of ASCS is to stabilize, support, and protect farm income and prices and to maintain balances and adequate supplies of agricultural commodities. Program delivery is accomplished through a network of 50 State offices, over 2,800 county offices and approximately 3,000 county committees, one for each agricultural county in the Nation. The principal activities of ASCS/CCC included in this strategy are the administration and management of the price support, production adjustment, conservation, emergency assistance, and warehouse examination programs, estimated at approximately \$14 billion in FY 1992.

Production adjustment and price support programs are designed to protect and improve farm income and keep production in line with anticipated needs. These goals are accomplished through the use of deficiency payments to producers for low market prices; diversion or set-aside payments for reducing planted program crop areas; price support loans or payments to regulate commodity suppliers; and disaster payments due to droughts, floods, or other natural conditions beyond the producer's control.

The Conservation Reserve and the Agricultural Conservation Programs were established to assist farmers and ranchers in carrying out land practices to prevent soil erosion, protect farmland, and conserve water resources. Program benefits are provided through annual payments or long-term cost-share agreements to conduct designated practices; to convert eligible land into permanent vegetative cover; and to rehabilitate farmland damaged by natural disasters.

Sales and donations of agricultural commodities are authorized to domestic agencies or foreign governments to keep commodity prices competitive and to develop new foreign or domestic markets for the commodities.

CCC programs can result in the acquisition of commodities through the takeover of commodities pledged as collateral for support loans or through purchases of eligible commodities from producers to support the market price. ASCS ensures that adequate storage is available to satisfy program needs by contracting with commercial warehouses to store commodities in county, terminal, and subterminal locations. These warehouses are examined periodically to ensure compliance with the provisions of the storage agreements.

AUDIT

In FY 1991 our audits continued to find recurring problems with the circumvention by producers of the payment limitation provisions, and with the effectiveness of ASCS' warehouse licensing and examination system to protect and safeguard commodities from loss or contamination. We also found incorrect crop yields and payment rates used to calculate nonprogram crop disaster payments, and weaknesses in internal controls governing ASCS' monitoring and supervision of tobacco price support activities. Prior audits have also identified payments for ineligible cropland enrolled in the Conservation Reserve Program, and producers who submitted inflated or fictitious feed invoices or disaster losses for the Livestock Feed Program. OIG considers these farm programs to be one of the Department's most critically vulnerable areas.

The Farm Programs strategy will continue to receive substantial audit emphasis in FY 1992 because of prior audit findings; the expansion and revision of major program areas and the magnitude of funding legislated by the 1990 Farm Bill; and the extensive amount of field office involvement in administration of ASCS programs. Specific audit coverage will be provided through nationwide and special impact audits to ensure overall program integrity and prevent and detect program losses.

Among the audits of ASCS planned for FY 1992 are major audits of compliance with payment limitation provisions; county office implementation of the 1990 Farm Bill; disaster assistance payments for nonprogram crops; Conservation Reserve Program bid evaluation procedures for the tenth and eleventh signups; and audits of the Warehouse Operations, Marketing Loan, and Oilseed Programs.

INVESTIGATIONS

The major emphasis of our Farm Programs investigative strategy has been to maintain the integrity of the USDA loan and benefit programs by ensuring proper coverage and prompt investigation of significant allegations of fraud. Our regional offices maintain a close working relationship with State ASCS offices to ensure timely referral of investigative matters and to create an understanding of each agency's priorities, resources, and needs. At the headquarters level, our Program Investigations Division is responsible for maintaining liaison with the ASCS National Office; informing our regional offices of impending program changes; developing national guidelines for referral of investigative matters; and bringing to the attention of top agency managers program provisions that allow significant potential for mismanagement.

In ASCS programs, our major concern has traditionally been conversion of farm-stored commodities securing CCC loans. Due to the large number of referrals we receive in this area, our investigative decisions as to whether or not a case should be opened are based on several factors. These include the likelihood of criminal prosecution or large civil recovery, which is determined in consultation with the appropriate U.S. Attorney's office and Office of the General Counsel representatives. Matters which are not investigated are referred back to ASCS for appropriate administrative action.

In FY 1992 a significant number of investigative staff days will also be spent in three areas: investigation of producers who have employed a "scheme or device" to avoid annual crop support subsidy payment limitations; investigation of false certifications made in order to obtain disaster assistance; and investigation of shortages of USDA-owned or USDA-mortgaged commodities in commercial warehouses. In commercial warehousing, our emphasis is continuing due to concern expressed by ASCS management and that agency's commitment since FY 1989 to furnish our agents with increased technical assistance during these complex and time-consuming investigations. Overall, we project that ASCS investigations will require approximately 14 percent of our FY 1992 investigative staff days.

MARKET DEVELOPMENT

The USDA strategic policy agenda for American agriculture in the 1990's calls for growth in the demand for U.S. agricultural commodities. Increased demand is to be generated by expanding markets abroad, developing sources of renewable fuels, and promoting industrial uses for agricultural commodities. Also, the President and the U.S. Congress have repeatedly stressed the importance of expanded agricultural trade to the U.S. economy.

Our Market Development strategy covers the Department's broad mission of selling agricultural commodities with the purpose of increasing farm income. The Department is charged with integrating all programs related to marketing so that distribution costs may be reduced, the price spread between producer and consumer may be narrowed, and new and wider markets can be developed in the United States and foreign countries. To facilitate the marketing mission, USDA is to provide research in marketing, handling, storing, processing, transporting, and distributing agricultural products.

The major programs included in this strategy are the Export Enhancement, Export Credit Guarantee, Targeted Export Assistance, Public Law 480, Market News, Marketing Orders, Promotion Boards, and International Training Programs. To carry out the diverse programs, USDA works with State and foreign governments, producer groups, nonprofit commodity groups, agricultural processors, exporters, land grant institutions, county extension agents, and individual producers. Fourteen USDA agencies share in the market development responsibilities of the Department.

Financing of the market development programs is provided by the annual USDA appropriations, matching funds, producer assessments, user fees and foreign import duties. While the major export promotion programs use CCC certificates, all day-to-day operations for these programs are carried out by Federal employees.

Program delivery systems involve subsidies, credit guarantees, long-term loans, publishing magazines and reports, advertising, trade negotiations, setting quality standards, regulating markets, grants and cooperative agreements, trade fairs, and international conferences. Domestically, International Trade and Development Centers are being funded by USDA through cooperative agreements, while USDA's Foreign Trade Offices are making potential foreign customers aware of U.S. farm products.

AUDIT

During FY 1991 we audited the value and origin of commodities included in the Export Credit Guarantee Program; the Sugar Program; Export Sales Reporting Program; and selected aspects of the Export Enhancement Program. We also monitored the market development sections of the 1990 Farm Bill.

Our FY 1992 plan calls for continued coverage of domestic and foreign market development opportunities. We have planned audits of Public Law 480, Title I, and related new shipping regulations; the Dairy Promotion Program and various marketing orders of the Agricultural Marketing Service; foreign donations made under the Section 416 Program; promotion of commodities of foreign origin in the Market Promotion Program; and coordination of program activities between the Foreign Agricultural Service (FAS) and the Office of International Cooperation and Development.

INVESTIGATIONS

As the Department has placed an increased emphasis on opening foreign markets and exporting agricultural commodities, OIG has found a need to increase its investigative efforts in this area.

While the percent of staff days devoted to FAS in FY 1991 was approximately 3 percent, in FY 1992 we anticipate that it will increase, to approximately 5 percent of available staff days. Our investigations involve the Public Law 480 program, the Export Enhancement Program, and the Export Credit Guarantee Program, and usually involve allegations of false certifications by U.S. exporters. Investigations into fraud in FAS programs are highly complex, and often take several years to complete.

DIRECT AND INSURED LOANS

The two major direct and insured loan lenders in USDA are the Farmers Home Administration (FmHA) and the Rural Electrification Administration (REA). FmHA makes direct loans for farmer programs (operating, ownership, emergency, and other), housing programs (single and multifamily), and community programs (water and waste facilities, hospitals, et al.). FmHA furnishes a variety of loans to farmers, secured by real estate, machinery, crops, or livestock; it also furnishes housing loans to individuals and real estate developers in rural areas. REA makes insured loans to rural electric cooperatives and rural telephone cooperatives.

AUDIT

Our Direct and Insured Loans strategy for audit focuses on FmHA's Debt Restructuring Program, implemented pursuant to the Agricultural Credit Act of 1987, which is estimated to result in writedowns and writeoffs of \$8 billion to \$10 billion. In addition, we are focusing on FmHA's Rural Rental Housing (RRH) Program, both for loan making and project operation.

In FY 1991 we completed two nationwide audits of debt restructuring activities, one to evaluate the adequacy and propriety of FmHA's handling of the restructuring actions, and the other to analyze controls over the restructuring of loans to borrowers with large debts. We questioned one or more of FmHA's actions in 95 percent of the decisions reviewed. Our nationwide audit of FmHA's RRH Program project operations disclosed that FmHA's supervision of borrower compliance with RRH Program regulations and loan agreements needs to be improved. We also started nationwide audits of RRH activities, to include the loan approval process and project construction. In REA we completed a review of the electric distribution cooperatives' financial needs criteria, which disclosed that REA approved loans totaling \$844 million to 324 of 470 borrowers who could have afforded credit at market rates.

In FY 1992 our strategy is again aimed primarily at the Debt Restructuring Program. We will review subsequent loan activity to borrowers who had previously benefited from restructuring actions and also conduct additional monitoring of FmHA's implementation of the Agricultural Credit Act of 1987. We will also evaluate REA's initiatives to encourage telephone borrowers to develop alternative resources to satisfy their credit needs.

INVESTIGATIONS

Officials of both FmHA and REA are required to contact OIG when they suspect loan fraud, including false or fraudulent statements by borrowers to obtain loans or to continue loan agreements; diversion of loan proceeds; unauthorized disposition of Government-mortgaged property; and embezzlement of loan proceeds. The largest number of loan fraud investigations involve unauthorized sale or disposition of Government-mortgaged property. Our strategy in FmHA farm loans is similar to our Farm Program strategy. OIG regional offices maintain close coordination with FmHA State offices to ensure clear communication and prompt referral of investigative matters. Our case-opening decisions are based on the

likelihood of criminal prosecution or large civil recovery. Matters not meeting those criteria are referred back to FmHA for appropriate administrative action.

OIG is continuing to respond to allegations of fraud in the FmHA Rural Housing Program and RRH Program. Fraud in the Rural Housing Program is usually due to underreporting of income by borrowers. Activities which are subject to fraud in the RRH Program are the fraudulent escalation of construction costs and the diversion of funds by project developers. We anticipate continued work in this area in FY 1992.

We anticipate that the overall number of FmHA referrals will remain steady during FY 1992. We plan to devote approximately 25 percent of our investigative staff days to the FmHA programs.

Most of our REA investigations have involved either embezzlement or diversion of loan funds, or inflation of construction costs to receive additional loans. We receive a relatively small number of investigative referrals from REA each year, and during the last 3 years we have worked closely with REA personnel in order to ensure that those matters which may need investigation are recognized by REA and referred to OIG in a timely manner. However, we anticipate that the percentage of OIG staff days devoted to REA investigations will remain at approximately 1 percent in FY 1992.

GUARANTEED LOANS

FmHA makes guarantees to private lenders of up to 90 percent for loans to Farmer Program borrowers. Since 1987 the U.S. Congress has mandated a shift from direct to guaranteed loanmaking, and the trend continues. REA assists rural electric and telephone organizations in obtaining the financing required to provide electric and telephone service in rural areas.

Our Guaranteed Loans strategy addresses the adequacy of the loanmaking and loan-servicing processes. Loan guarantees are the preferred Congressional method to provide financing to eligible program participants. Therefore, appropriations have been provided for several new initiatives and existing programs have been expanded. Reviews of this type are complex because the actions of the USDA agency and the private lender must be assessed.

AUDIT

In FY 1991 we completed a review of FmHA's internal controls over writedowns of guaranteed Farmer Program loans. Our review disclosed that internal controls specified by FmHA's regulations and policy directives were not adequate to provide reasonable assurance that the loans were being properly written down. In addition, we initiated an audit of FmHA's controls over lender liquidations of Farmer Program guaranteed loans. The audit disclosed that FmHA's reviews of lenders' servicing and liquidation did not prevent or detect inadequate servicing, incomplete liquidation plans, or erroneous loss claims.

In FY 1992 we will review the two new guaranteed loan programs: Community Programs and Rural Housing. We also plan to conduct reviews of the Interest Assistance Program, the secondary market for Farmer Program guaranteed loans, and FmHA's compliance with the newly established Nine-Point Credit Management Program for guaranteed loans.

RURAL DEVELOPMENT

The U.S. Congress has recently passed laws which will expand the level of Federal assistance provided to rural areas and the types of delivery systems. In addition, FmHA currently has several different programs in place that share the common objective of spurring economic growth in rural areas. These include the Nonprofit National Corporation (NNC) Loan and Grant Program, the Industrial Development Grant Program, and the Intermediary Re-Lending Program. Recent legislation has transferred FmHA's community and business programs to the new Rural Development Administration. Finally, REA was granted authority in 1987 to make zero-interest loans and grants to cooperatives for dissemination to rural companies.

Our Rural Development strategy encompasses all of these programs and activities. Our objectives are to determine whether program requirements are met and funds are properly spent.

AUDIT

In FY 1991 we completed a review of REA's implementation of the Rural Economic Development Program. Our review disclosed that REA needs to strengthen its procedures for reviewing and selecting projects to receive rural economic development zero-interest loans and grants. NNC receives FmHA guaranteed loans and grant funds for improving business, industry, and employment opportunities in rural areas. We also completed a review of the NNC's Loan and Grant Program which identified inadequate controls over technical assistance grants to NNC's.

In FY 1992 we will continue to monitor rural development legislation and adjust our strategy accordingly. We will also conduct a nationwide audit of loan servicing in the Business and Industrial Loan Program, review FmHA's Industrial Grant Program, and assess FmHA's rural area designation process.

INSURANCE

The Federal Crop Insurance Corporation (FCIC) is a wholly-owned Government corporation created to promote the national welfare by improving the economic stability of agriculture through a sound system of crop insurance. FCIC was created by the Federal Crop Insurance Act in 1938 to directly insure selected crops in certain counties. The 1980 amendment to the Act substantially revised the crop insurance program by expanding the coverage, authorizing the use of private insurance companies to sell and service policies, increasing coverage levels, and providing for a reinsurance program. FCIC uses a dual delivery system to provide insurance coverage to producers. Eighty-nine percent of the policies are sold by private insurance companies reinsured by FCIC, and 11 percent are sold by vendors under contract to FCIC.

Under the Federal Crop Insurance Act amendment of 1980, premium rates were to be set so that, over time, the subsidized premium would be sufficient to cover indemnity costs and provide for a reserve. The program was to be actuarially sound. Although program changes were also designed to increase participation, participation has never reached the 50 percent targeted level. In 1990 FCIC achieved the highest farmer participation since the inception of the program. That year, FCIC provided nearly \$13 billion of protection on over 900,000 policies. Those policies provided coverage on over 100 million acres, or approximately 40 percent of the insurable acres nationwide. Indemnity claims have exceeded premiums every year. In 1990 FCIC paid over \$1 billion to insured farmers for indemnity claims on insured crops. FCIC's 1990 accumulated deficit amounted to \$3.9 billion.

AUDIT

In FY 1991 OIG reviewed FCIC's handling of administrative expense reductions, as required by the 1988 and 1989 Disaster Assistance Acts; performed an analysis of FCIC's data base; monitored FCIC's implementation of the 1990 Farm Bill; and provided comments on the new Standard Reinsurance Agreement.

Audits planned for FY 1992 include selected specialty crops with large indemnity claims, the crop insurance underwriting function, and FCIC's procedure for determining insured units.

ENTITLEMENT PROGRAMS

The Food and Nutrition Service (FNS) administers three major entitlement programs which will account for approximately \$30 billion (program level) in FY 1992: the Food Stamp Program (FSP); the Child Nutrition Programs (CNP); and the Supplemental Food Program for Women, Infants and Children (WIC). These programs are administered by the States through agreements with FNS. The States, in turn, enter into agreements with county and project offices to deliver program benefits. Our strategy in this area is to focus on FNS' overall administration of the agency and its programs, the adequacy of controls and systems used to manage the programs, and the effectiveness of audits performed under the Single Audit Act (OMB Circulars A-133, A-128 and A-110).

AUDIT

In FY 1991 our audits covered FSP computer matching of Federal and U.S. Postal Service employees and retirees; security and accountability over the printing of FSP coupons; the FSP retailer tracking system; claims and disqualification penalties under the FSP; WIC administrative costs; WIC infant formula pricing and rebates; the National School Lunch Program (NSLP) income verification process; and donated commodities processed by contractors.

Since the FNS programs have large cash outlays, the potential for fraud and large dollar losses exists. We will continue to emphasize audits of these programs to determine if controls are in place to ensure the most efficient, effective, and economical operation possible.

For the FY 1992 program, OIG again plans to allocate a substantial portion of its resources to the entitlement programs. Major audits planned include FNS financial statements; the FSP error rate reduction system; the FNS sanction process; the FSP employment and training program; FSP quality control activities; the FSP Bank Monitoring System; administrative costs in the CNP, FSP, and WIC; State agency systems to distribute food coupons to food stamp recipients; the Food Distribution Program; State vendor monitoring systems in WIC; Federal accountability and Integrity Reviews; the effectiveness of single audits as a management tool in the NSLP; and financial management operations.

INVESTIGATIONS

OIG's investigative activities in the FSP are focused on fraud by retailers authorized to accept food stamps and on "food stamp trafficking," the unauthorized acquisition of food stamps in exchange for cash and other nonfood items and their use as a "second currency" by persons not authorized to participate in the FSP.

In FY 1992 OIG will continue to concentrate our resources in these two areas of investigation. Since the authorized retailer is the key to eventual redemption of illegally obtained food stamps, we will continue our participation in a project in cooperation with the FNS Compliance Branch to increase the investigative resources devoted to the uncovering and investigation of "high redeemer/low volume" retailers (e.g., FNS-authorized firms whose food stamp redemptions are consistently larger than their reported gross food sales).

We will also investigate unauthorized retailers, including those previously disqualified from the FSP for serious violations, who continue to accept food stamps in willful disregard of program regulations.

We will continue to conduct food stamp investigations jointly with other Federal, State, and local law enforcement authorities, resulting in a more effective use of limited investigative resources, as well as in improved intelligence gathering.

In FY 1992 the investigative resources dedicated to FSP investigations will remain at about 35 percent of our available staff days, and the total percentage of our time devoted to FNS programs will be about 40 percent.

CONSUMER PROTECTION

Consumer protection activities within the Department include those activities designed to assure that the food the consumer eats is safe, properly labeled and graded, and that the Nation's plant and animal resources are safeguarded. These activities are performed by the Food Safety and Inspection Service (FSIS), the Agricultural Marketing Service (AMS), the Federal Grain Inspection Service (FGIS), the Animal and Plant Health Inspection Service (APHIS), and the Packers and Stockyard Administration. They include in-plant inspections of all domestic establishments preparing meat and poultry products for sale or distribution; review of foreign inspection systems and establishments; inspection and quarantine of animals and plants at U.S. ports-of-entry; control of agricultural losses caused by predatory animals; establishing grading standards for eggs, tobacco, livestock, dairy, poultry, fruits, vegetables, and grain; and weighing and inspecting food products to ensure the standards are met. The public depends upon these agencies to assure a safe food supply; farmers depend upon these agencies to protect agricultural resources and maintain consumer confidence in the market for their products.

AUDIT

Our FY 1991 plan included an audit of FSIS' procedures for the accreditation of private laboratories. The audit resulted in recommendations to reduce the costs and improve the accreditation review process. We also conducted audits of the FSIS program to monitor drug residues in meat and poultry, AMS' establishment of user fees, and APHIS' United States-Mexico Screwworm Eradication Program.

Food safety concerns continue to receive considerable attention; therefore, our FY 1992 plan includes work to ensure that the Department is effectively protecting the consumer and agricultural resources of the Nation. Major audits or surveys are scheduled in AMS, APHIS, FGIS and FSIS. In AMS we will audit handler compliance with market orders for agricultural commodities, as well as the implementation of the new pesticide usage data base. In APHIS we will audit the National Poultry Improvement Program (a program intended to reduce the incidence of salmonella in poultry and eggs). In FSIS we will audit both the imported meat process and the activities of import offices, including the controls over chemical residues in imported meat. In FGIS we will audit the inspection and grading of grain in the interior of the United States.

INVESTIGATIONS

Investigations into threats to the health and safety of the public remains OIG's highest priority. When threats to public health are identified, such as allegations of tampering with products regulated by the Department, OIG immediately goes to work as part of a team of USDA agencies to determine the extent of the problem, identify its cause, take corrective action, and seek criminal prosecution, if appropriate.

On a day-to-day basis, we continue to work in close coordination with other USDA personnel to guard against deliberate criminal acts that endanger the health and safety of the public or cause economic damage to the public through misrepresentation of the quality of agricultural products. In order to carry out this function, we have formal agreements with FSIS, AMS, FGIS, and APHIS, as well as with the Regulatory Division of the Office of the General Counsel.

Food and Consumer Products

In FY 1991 investigative activity involving violations of the Federal Meat, Poultry, and Egg Products Inspection Acts, as well as other areas of food regulation, accounted for approximately 7 percent of investigative staff days. It is anticipated that activity in this area will remain about the same percent of available workdays in FY 1992.

Animal and Plant Health Protection

In FY 1990 we entered into an agreement with APHIS which provides for investigative consideration of smuggling incidents involving plants or animals which may impact the Nation's food supply through exposure to disease or plant pests. Our investigative efforts in the area of animal and plant health protection are continuing, with an increased emphasis on the investigation of allegations of smuggling of animals and plants.

We are currently conducting investigations into the illegal importation of exotic birds, rare and endangered species, and violations of animal quarantine regulations. We see our commitment of resources in these types of investigations remaining about 2 percent of our staff time in FY 1992.

FOREST SERVICE

The Forest Service (FS) is responsible for applying sound conservation practices to the natural resources of the national forests and grasslands. The national forest system covers 191 million acres of public lands administered through 9 regional offices and 637 ranger districts. FS operational activities are numerous and diverse, encompassing the management of timber sales, fish and wildlife habitat enhancement, recreational sites, firefighting and protection, cooperation with State and local government and private forest landowners, and forest and rangeland research. The FS' FY 1991 budget was about \$3.1 billion, and timber sales and other receipts are estimated to be about \$1.6 billion.

AUDIT

Our Forest Service strategy concentrates on the management of the lands and natural resources of the national forest system, and the use of lands and other resources for recreation. We will also give emphasis to the FS' management of national forest timber, including sales administration, timber valuation, log accountability, contract administration, and the bidding and payment processes.

In FY 1991 we surveyed major program areas to include timber sales, road construction and maintenance, recreation management, cruising and skewed bidding, followup on timber theft prevention in Region 6, and timber theft prevention activities in Region 5. We identified significant problems in all areas reviewed. In addition, we reviewed controls over procurement and use of firefighting equipment, and over accountability of assets in fire caches. We found an absence of procedures to reconcile fire cache inventories, inadequate analysis of excessive equipment losses, and a need to coordinate with local units on firefighting equipment maintained.

For FY 1992 we have planned a followup audit of FS' actions on yearend procurements identified in prior audits as potential antideficiency and bona fide needs violations. We also plan to audit activities identified in recent surveys as having potential problems, such as timber sale cruising and fee calculations at resorts. Additional audit effort is planned in the areas of construction and major acquisition, road maintenance agreements, activities concerning encroachments, urban forestry, timber sale financial security, log exports, maintenance backlogs, and range management.

MANAGEMENT/CONTROL OVER ENVIRONMENTAL HAZARDS

This strategy brings together a wide range of agency programs and operations under a general concern for the protection of the environment and the abatement of environmental hazards that result from practices in agriculture and forestry. In FY 1992 there is more than \$272 million appropriated for environmental protection activities.

Individual agencies of the Federal Government are required to identify and remedy their noncompliance with Federal, State, and local standards for environmental quality, including air, noise, water, pesticides, chemicals, and toxic and radioactive waste. USDA operates over 21,000 buildings at more than 15,000 locations and controls nearly 173 million acres of land. Violations of Federal or State standards at Government-owned or operated facilities subject agencies to legal and administrative action that may result in criminal prosecution of Federal employees. USDA works together with the U.S. Environmental Protection Agency and schedules priority problem areas for remedial action. These plans are coordinated and presented as a single funding item under the budget for departmental administration.

The Department's response to water quality issues is a collection of programs which focus on soil conservation and surface water contamination. These efforts are coordinated through an interagency Committee on Water Quality whose purpose is to ensure the relevance of planned activity to the overall objective of fostering environmentally sound farming practices. The Department recently developed a 5-year water quality program within a framework that would support a voluntary adoption of economically sound environmental improvements. In the future, USDA anticipates better coordination among USDA agencies and between the Department and other Federal, State, and local agencies.

Other organized programs under this strategy represent USDA's application of the National Environmental Protection Act to specific agricultural fields like pesticides, biotechnology, and agricultural chemicals. Also within the scope of this strategy are the Health and Safety Programs of individual agencies that endeavor to reduce risk from environmental hazards to USDA employees working at Government-owned or operated facilities.

AUDIT

Four audits initiated in FY 1991 were based on prior year audit surveys that identified major issues for audit emphasis. These audits include an assessment of the Department's responsiveness to hazardous waste cleanup requirements and schedules; review of interagency agreements between USDA agencies and the U.S. Environmental Protection Agency to carry out cleanup activities; assessment of cleanup costs of property acquired by USDA because of foreclosure or other reasons outside its control; and evaluation of agency activities to bring USDA laboratories into compliance with Federal and State guidelines on the storage and disposal of dangerous waste, toxic chemicals, and radioactive materials. This work is currently in process and should be completed in FY 1992. OIG has also begun gathering information for an FY 1992 audit of the organization and planning of cost-sharing activities between Federal, State, and local authorities to enact the Department's water quality objectives. Another environmental issue targeted for FY 1992 is the status of underground storage tanks at USDA facilities.

RESEARCH AND TECHNOLOGY TRANSFER

USDA is the lead Federal agency responsible for the coordination of Federal, State, and private investments in the application of new and improved technologies to agriculture and forestry. The USDA research agencies, which include the Agricultural Research Service, the Cooperative State Research Service (CSRS), and the Economic Research Service, contribute to the strengthening of the Nation's agricultural research capacities and the expansion of knowledge in the agricultural and related sciences. All agencies in the Department make their contributions to the profitability and competitiveness of American agriculture through application of the most current information obtained from the physical, biological, and social sciences. The Extension Service and the National Agricultural Library support the distribution of the latest technology and information. Appropriations for research activities exceed \$1.5 billion for FY 1992.

The National Agricultural Research Extension and Teaching Policy Act establishes a cohesive, interdisciplinary research effort for the generation, development, and diffusion of technology that is appropriate to the farming community. Research is carried out directly by USDA at 123 laboratories across the Nation, in partnership with State Agricultural Experiment Stations, through grants to institutions and individuals and through cooperative agreements with private industry and other public agencies. Our audit strategy is to ensure that agricultural research, extension, and teaching funds are being applied efficiently and effectively to identifiable national needs and objectives.

AUDIT

In FY 1991 OIG began work evaluating the program integrity of the Department's research and technology transfer efforts by reviewing the distribution, use, and management of research facilities funding, and assessing the development and implementation of the USDA intramural research program. This work continues into FY 1992. We also surveyed the Small Business Innovation Research (SBIR) Program this past year and determined that agency controls over the selection and funding of awards are insufficient and provide opportunities for recipients to misuse funds.

In FY 1992 we will audit a selection of SBIR awards to determine whether Federal funds have been properly spent. We will also perform a review of the administration of the Cooperative Extension Program and assess the Department's control over the release of bioengineered organisms into the environment.

PROCUREMENT AND CONTRACTS

Procurement of goods and services to support agency operations within USDA totals almost \$1.8 billion annually. The range of procurement and contracting is broad and includes advisory and assistance services; purchases of meat, poultry, and fish; and printing and distribution of food stamp coupons. Governmentwide policy is provided by the Office of Management and Budget's Office of Federal Procurement Policy. Acquisition regulations and cost principles are promulgated by the Federal Acquisition Regulatory Council and authority is delegated to Federal departments and agencies. Within USDA, the Office of Operations provides oversight for departmental procurement and contracting functions and delegates contracting authority to agency contract officials and their staffs. The National Finance Center performs the accounting and payment functions for most agency procurements.

AUDIT

During FY 1991 audits of contracts were performed to assist USDA procurement offices in the negotiation, administration, and settlement of USDA contracts and subcontracts. We will continue to perform or arrange for audits of pricing proposals, cost reimbursement contracts, or contractor claims.

During FY 1991 we conducted two legislatively mandated reviews, as required by Title 31 U.S.C. 114(b) and Title 31 U.S.C. 1352. We evaluated management controls over contracted advisory and assistance services, the integrity of the data reported to the Federal Procurement Data System, and actions taken by the Department and select USDA agencies to issue policy and procedures to implement the Anti-Lobbying legislation. The Anti-Lobbying legislation, more commonly known as the Byrd Amendment, prohibits the use of Federal funds and requires disclosure of non-Federal funds spent to influence the award of a specific contract, grant, cooperative agreement, or loan action.

We also conducted audits of the competitive bid award procedures used by the Kansas City Commodity Office to purchase processed commodities for the Department's food and farm programs and the procurement of ADP equipment, software, and ADP services by FmHA.

In FY 1992 we will continue to review the Department's management controls over contracted advisory and assistance services and the accuracy of data provided to the Federal Procurement Data System. We also plan to evaluate the Department's oversight of and compliance with the Anti-Lobbying restrictions to determine whether they meet the requirements of Title 31 U.S.C. 1352.

ACCOUNTING AND FINANCIAL MANAGEMENT

The requirements of the Chief Financial Officers (CFO) Act of 1990 are addressed under the Accounting and Financial Management strategy. The CFO Act designates the Department as part of the pilot program to prepare and audit financial statements beginning with the FY 1990 statements. Financial statements were prepared for all revolving and trust funds and for programs which perform substantial commercial functions. The strategy also encompasses departmental cash and debt management, accounting and financial management systems, and the responsibilities of the Office of Finance and Management (OFM). OFM provides departmental leadership and oversight for the development, evaluation and maintenance of accounting and financial management systems and assists USDA agencies in ensuring that cash and debt management practices are efficient and effective. OFM also provides central accounting services through the Central Accounting System (CAS) at its National Finance Center (NFC), and maintains accounting records for various agencies of the Department. OFM's NFC also provides administrative services and maintains administrative accounting for USDA agencies. In addition, OFM's NFC is a leader in providing services to agencies and departments outside USDA.

In its FY 1990 financial statements, the Department reported total assets of over \$137 billion and total liabilities in excess of \$146 billion. Six departmental agencies and corporations, FmHA, CCC, REA, FS, FNS, and FCIC, account for more than 95 percent of each of these totals. Other account balances in the FY 1990 financial statements included \$87.5 billion in net loans receivable, \$123 billion in long term debt owed by USDA, and interest expenses of \$11.7 billion. The CAS and five other accounting/financial management systems in the Department (FmHA, CCC, REA, FNS, and FCIC) provide accounting control over all transactions processed in USDA. These systems also provide financial reporting to agency managers, as well as meeting the reporting requirements of the Secretary of the Treasury. The systems are maintained on large-scale computers at either the USDA National Computer Center or OFM's NFC.

AUDIT

In FY 1991 we performed or provided oversight on audits of FmHA, CCC, REA and FCIC FY 1990 financial statements. We also audited debt management initiatives in both FNS and ASCS/CCC, USDA cash collection systems and the Department's management of surplus reserve funds.

For FY 1992 we plan to audit the six major agency and corporation financial statements, as well as the consolidated USDA financial statements. Other audits are planned in the areas of unliquidated obligations, revolving funds, letters of credit systems and FmHA and CCC financial management systems.

AUTOMATED DATA PROCESSING (ADP) SYSTEMS

USDA operates two major computer centers. The National Computer Center (NCC), with mainframe processing located in Kansas City, Missouri, and applications development and telecommunications activities located in Fort Collins, Colorado, are managed by the Office of Information Resources Management. The National Finance Center (NFC), located in New Orleans, Louisiana, provides centralized accounting, payroll/personnel, and administrative payment systems for USDA and more than 30 other Federal Departments and agencies, and is managed by the Office of Finance and Management (OFM).

In addition to these mainframe processing services, the approximately 40 USDA agencies continue to invest millions of dollars in hardware, software, and related resources to support program and management functions. These acquisitions support distributed processing systems and networks operated on personal computers driven by minicomputers or super microcomputers.

This strategy addresses the vulnerabilities inherent in all these activities and systems. These systems require careful attention during both development and operation to ensure that adequate and reasonable controls are in place and are effective, and user needs are fulfilled. ADP operations, especially those with distributed processing environments, present a broad range of security and control issues, such as data integrity and transmission, unauthorized access, telecommunications links, software development, equipment upgrade and acquisition, processing of sensitive information, system documentation, and security plans.

AUDIT

Our audits continue to disclose security and control weaknesses that expose these ADP systems to unauthorized access by both authorized and unauthorized users. During the past year, there were two instances of unauthorized access to USDA systems by outside hackers. These weaknesses impact on the integrity of the data processed by these systems, placing sensitive financial and administrative program information involving multimillion-dollar loan and subsidy payments at unnecessary risk.

Also of major audit concern is the system life-cycle development process for new or expanding agency ADP systems. We will focus our audit resources on the most critical phases of the life-cycle process of those major developing systems we select. Our selection will be based on dollar value of investment, program dollars to be processed/controlled, degree and sensitivity of information processed, volume of users, system size, and level of departmental management interest.

In FY 1991 we performed audits of FNS' automated regional office administrative payment system, security and control over the USDA headquarters local area network, and security and control over FmHA's remote transaction processing in the State of Iowa. We also reviewed outside hacker penetrations of Soil Conservation Service and APHIS computer networks, and evaluated security implemented over FmHA ADP systems.

We plan in FY 1992 to continue to monitor the development and pilot testing of a departmentwide modernization of the administrative payment systems at NFC. We also plan to review security and controls over major ADP acquisitions handled through the departmental technical approval process, the processing of sensitive data, operations and activities at NCC and NFC, and the conversion of mainframe processing from the NCC Fort Collins location to the NCC Kansas City location. We also expect to review field office automation activities at FmHA, ASCS, FS, and APHIS; the administration of the Department's ADP security function; the National Agricultural Statistics Service (NASS) local area network; the FmHA Acquired Property Tracking System and Guaranteed Loan Accounting System; and the REA Loan Accounting System.

EMPLOYEE INTEGRITY

The integrity of USDA personnel is essential to maintain the public's confidence that tax dollars and resources are adequately protected. A myriad of laws, Executive Orders, and regulations prescribe what is expected of public servants before, during, and after Government employment. During employment, public servants are held to high ethical standards, including prohibitions against acceptance of gifts and gratuities, private compensation, and the appearance of a conflict of interest. Employees in specified positions must complete statements of employment and financial disclosures annually. Certain prohibitions also apply after an employee leaves the Government. For example, the Federal Procurement Policy Act (Title 41 U.S.C. 23) imposes a 2-year restriction prohibiting individuals from representing a contractor in the negotiation or performance of a contract if that individual was personally and substantially involved in either the negotiation or review and approval of that same contract as a Government representative.

AUDIT

In FY 1992 we will evaluate the propriety of program benefits received by USDA employees who participated in the farm programs. We also plan to conduct a review to determine whether agency employees complied with applicable travel regulations.

INVESTIGATIONS

The prompt investigation of allegations involving the integrity of USDA employees continues to be a high priority of the Department and OIG. We have made a significant commitment to ensure investigations involving employee integrity are handled expeditiously. Employee misconduct most often involves allegations of conflict of interest, embezzlement, and bribery. OIG attempts to promptly resolve allegations of employee misconduct in order that the agencies involved may proceed with appropriate administrative action.

USDA regulatory employees are instructed to report offers of bribes or gratuities by calling the OIG "direct line," a telephone line which is answered 24 hours a day. Callers are immediately put in touch with a Special Agent, who instructs the caller on proper procedures to follow.

In FY 1991 approximately 6 percent of available workdays were devoted to employee misconduct investigations. Investigative activity in this area is expected to remain at approximately this level in FY 1992.

PROGRAM COMPLIANCE, ECONOMY, AND EFFICIENCY

The Program Compliance, Economy, and Efficiency strategy includes all programs and activities not included in other strategic areas. It includes special requests, audit followup, single audits of State and local governments, and the quality of audits performed by non-Federal auditors. It also includes audits and investigations of organizations such as the Soil Conservation Service, Office of Operations, and NASS, when the audit area is not included in another strategy.

AUDIT

During the year, issues develop which we cannot anticipate during the planning process. These issues usually develop from Secretarial, agency, Congressional, or OIG concerns regarding fraud, waste, or mismanagement. In order to respond to these concerns, OIG reserves time for any unanticipated requests.

We also set aside time in our plan to monitor the management decisions made for audit findings and recommendations presented in our audit reports. The purpose of management decisions is to ensure that we and the auditee agree on the actions to be taken to correct deficiencies. Once we agree with the management decision, management is responsible for implementing final actions. Final actions are monitored and tracked by OFM.

OIG has responsibility for monitoring the work of independent auditors conducting audits of State and local governments according to OMB Circular A-128 and institutions of higher learning and other nonprofit institutions according to OMB Circular A-133. Currently, we are assigned cognizance for 19 State agencies and larger local governments. In addition, we are the lead cognizant agency for the statewide single audits of Minnesota and Pennsylvania.

We are responsible for ensuring that the quality of work performed by other non-Federal auditors submitting reports to USDA under program-specific requirements is adequate. Their work must comply with the standards established by the U.S. Comptroller General. When substandard audit work is identified, we refer the independent auditor to the State Board of Licensing Authorities and the American Institute of Certified Public Accountants. In FY 1991 we evaluated the quality of audits performed of multi-State food processors by certified public accountants for FNS commodity distribution programs. In FY 1992 we plan to continue our evaluation of the quality of audits of financial assistance performed by certified public accountants.

In FY 1990 we conducted an audit of the NASS average market price data used to determine the deficiency payment rate for upland cotton. Because the average market price has a significant impact on the deficiency payment rate, during FY 1991 we also assessed the accuracy of price data reported to NASS by rice cooperatives and selected other buyers of rice. In FY 1992 we plan to assess the adequacy of internal controls over the accuracy of average price data received by NASS on feed grains and wheat.

APPENDIX II
MAJOR AUDITS PLANNED FOR FY 1992

MAJOR AUDITS PLANNED FOR FY 1992

Below are brief descriptions of major audits planned for FY 1992. A list of all audits planned for FY 1992 is provided in Appendix III.

**UNDER SECRETARY
INTERNATIONAL AFFAIRS AND COMMODITY PROGRAMS****Agricultural Stabilization and Conservation Service (ASCS)**

TITLE: Payment Limitation Provisions for 1991

OBJECTIVE(S): Determine if selected large producers complied with their farm operating plans and identify control weaknesses over payments, and schemes and devices used to evade payment limitation rules. Review implementation of payment limitation provisions for the honey, wool and mohair programs, and State office person determination provisions.

TITLE: County Office Implementation of 1990 Farm Bill Provisions

OBJECTIVE(S): Evaluate ASCS county office implementation of provisions contained in the 1990 Farm Bill including, but not limited to, the production adjustment, conservation, and price support programs.

TITLE: Disaster Assistance Payments for Nonprogram Crops

OBJECTIVE(S): Determine if county office disaster payment calculations are proper and supported, and county average yields and payment rates are reasonable. This audit will include disaster payments for nonprogram crops such as tomatoes, peppers, and carrots.

TITLE: Conservation Reserve Program (CRP) Bid Evaluation Procedures

OBJECTIVE(S): Review the accuracy of data used for the CRP bid evaluation process applicable to the 10th and 11th signup periods.

TITLE: USDA Employees' Program Participation

OBJECTIVE(S): Evaluate the accuracy of program benefits received by USDA employees who participated in farm programs administered by ASCS.

TITLE: Settlement Actions on Adverse Warehouse Cases - Phase II

OBJECTIVE(S): Evaluate warehouse controls in areas not previously audited and corrective action taken in response to problems identified in previous audits. Ascertain whether bonding requirements are sufficient to cover losses incurred and warehouse compliance with storage agreement terms.

TITLE: Marketing Loan Program Objectives and Accomplishments

OBJECTIVE(S): Determine if marketing loan programs accomplish their intended objectives, and whether program costs are justified, considering program accomplishments.

TITLE: Oilseed Commodities Placed Under CCC Loan

OBJECTIVE(S): Determine whether producers receiving CCC price-supported loans or deficiency payment for oilseeds have a beneficial interest in the commodity and whether loans and payments are based on correct amounts.

TITLE: CCC FY 1991 Financial Statements

OBJECTIVE(S): Determine if CCC's financial statements are fairly presented in accordance with generally accepted accounting principles, internal accounting controls are adequate, and CCC complies with laws and regulations.

TITLE: Commodity Certificate Accounting System and Related Program Controls

OBJECTIVE(S): Determine if recommendations made in prior audits to enhance controls over certificate operations are in place and functioning effectively.

UNDER SECRETARY
SMALL COMMUNITY AND RURAL DEVELOPMENT

Federal Crop Insurance Corporation (FCIC)

TITLE: FCIC FY 1991 Financial Statements

OBJECTIVE(S): Determine if FCIC's financial statements are fairly presented in accordance with generally accepted accounting principles, internal accounting controls are adequate, and FCIC complies with laws and regulations.

TITLE: Sharing of Underwriting Gains and Losses Under the Reinsurance Program

OBJECTIVE(S): Determine whether the sharing of underwriting gains and losses in the reinsurance program is appropriate, considering the assignment of risk and the actuarial soundness of the crop insurance program.

TITLE: Commissions Paid to Reinsurance Companies

OBJECTIVE(S): Determine whether the administrative fees paid to reinsurance companies can be substantiated.

TITLE: Selected Crop Year 1991 Indemnity Claims

OBJECTIVE(S): Determine whether indemnity claims for selected crops were properly adjusted.

TITLE: Underwriting Crop Insurance Programs

OBJECTIVE(S): Identify and evaluate the controls used by FCIC to ensure that actuarial decisions are based on acceptable farming practices and data from reliable sources.

TITLE: Unit Determinations

OBJECTIVE(S): Determine whether some producers are circumventing the insurable interest requirements by using "identity of interest" entities to create additional units.

Farmers Home Administration (FmHA)

TITLE: Interest Assistance Program and Interest Rate Buydown Payments

OBJECTIVE(S): Review and evaluate FmHA's implementation of the Guaranteed Loan Interest Assistance Program and controls over, and accuracy of, interest rate buydown payments to guaranteed lenders.

TITLE: Compliance with the Nine-Point Guaranteed Loan Standards

OBJECTIVE(S): Evaluate FmHA's compliance with the newly established Nine-Point Credit Management Program for guaranteed loans.

TITLE: Business and Industrial Loan Servicing

OBJECTIVE(S): Evaluate FmHA's Controls Over Lenders' Servicing Actions.

TITLE: Guaranteed Community Program Loans

OBJECTIVE(S): Determine if Guaranteed Community Program loans are being administered consistent with Office of Management and Budget and U.S. Treasury directives for managing credit programs.

TITLE: Farmer Program Loans Made Subsequent to Net Recovery Buyouts (NRB)

OBJECTIVE(S): Assess FmHA's internal controls over subsequent loans to NRB borrowers and the propriety of subsequent loans made to NRB borrowers.

TITLE: Secondary Market for Farmer Program Guaranteed Loans

OBJECTIVE(S): Determine if the pooling of Farmer Program guaranteed loans by "Farmer Mac" increases losses and the costs of administration and servicing to the Agricultural Credit Insurance Fund.

TITLE: Regulatory/Legislative Changes Needed to Strengthen FmHA's Farmer Loan Portfolio

OBJECTIVE(S): Identify encumbrances to sound portfolio management in the Farmer Program loanmaking and loan-servicing processes.

TITLE: Initiative to Litigate Backlogged Debt

OBJECTIVE(S): Evaluate FmHA's use of the U.S. Department of Justice's private attorney debt collection initiative to determine compliance with requirements; effectiveness of using private attorneys; barriers to full use of the program; and the advantage of FmHA gaining authority to contract directly with private attorneys.

TITLE: Subsequent Loans to Borrowers Who Received Debt Writedowns

OBJECTIVE(S): Assess FmHA internal controls over subsequent insured and guaranteed loans to borrowers who received debt writedowns under debt-restructuring provisions.

TITLE: Borrower Eligibility for Limited Resource Loans

OBJECTIVE(S): Review FmHA's limited resource loans to determine that borrowers meet eligibility requirements for the program's reduced interest rates.

TITLE: Rural Housing (RH) and Rural Rental Housing (RRH) Contract Appraisal Process

OBJECTIVE(S): Evaluate the methods and procedures used by contract appraisers to determine RH and RRH appraised values, and the adequacy of FmHA's procedures for selecting and reviewing contract appraisers.

TITLE: FmHA FY 1991 Financial Statements

OBJECTIVE(S): Determine if FmHA's financial statements are fairly presented in accordance with generally accepted accounting principles, internal accounting controls are adequate, and FmHA complies with laws and regulations.

TITLE: Followup on FmHA Finance Office Implementation of Prior Audit Recommendations

OBJECTIVE(S): Determine whether the FmHA Finance Office has taken timely and effective corrective action on prior audit recommendations.

TITLE: FmHA Acquired Property Tracking System - Phase V

OBJECTIVE(S): Determine whether adequate controls have been designed into the system to detect unreasonable acquired property values. Determine if reports produced by the system can be reconciled with detailed acquired property records.

TITLE: Guaranteed Loan Accounting System

OBJECTIVE(S): Determine whether the system has effective controls in place to ensure the propriety and timeliness of guaranteed loan data. Determine whether the system is properly accounting for contingent liability and assets.

Rural Electrification Administration (REA)

TITLE: Financial Needs Criteria - Telephone

OBJECTIVE(S): Determine if REA has complied with Congressional policy to encourage telephone borrowers to develop resources and financial strength to satisfy their credit needs from within or from sources other than REA.

TITLE: Financial Investment in Rural Areas

OBJECTIVE(S): Determine the effectiveness of REA controls over borrower investments, and if investments are being made to improve rural development.

TITLE: REA FY 1991 Financial Statements

OBJECTIVE(S): Determine if REA's financial statements are fairly presented in accordance with generally accepted accounting principles, internal accounting controls are adequate, and REA complies with laws and regulations.

TITLE: Loan Accounting System Redesign

OBJECTIVE(S): Review the status of the upgrade and redesign of REA's loan accounting system to determine compliance with applicable system life-cycle development requirements. Determine whether adequate controls are being designed into the system.

ASSISTANT SECRETARY
ECONOMICS

National Agricultural Statistics Service (NASS)

TITLE: Management and Security Over Local Area Networks and Statistical Forecasting Data

OBJECTIVE(S): Determine if adequate physical, management, and telecommunications controls have been installed to prevent unauthorized access to and use of sensitive data and to detect attempts to access such data.

TITLE: Accuracy of National Average Prices for Wheat and Feed Grains

OBJECTIVE(S): Assess the adequacy of internal controls over the accuracy and consistency of average price data received by NASS on feed grains and wheat.

ASSISTANT SECRETARY
ADMINISTRATION

Office of Finance and Management (OFM)

TITLE: USDA's Administrative Integrated Management System

OBJECTIVE(S): Maintain familiarity with the project system design, development and pilot testing; monitor pilot testing sites; and determine OFM's progress in meeting project timeframes and estimated costs.

TITLE: Selected Aspects of Computer Security at OFM/NFC

OBJECTIVE(S): Determine compliance with Federal and departmental regulations in providing adequate security over production data, system management records, and the data base management system. Evaluate security over user access to selected critical or sensitive subsystems.

TITLE: NFC General Controls Review

OBJECTIVE(S): Review of the adequacy of systemwide general management and ADP controls in accordance with the American Institute of Certified Public Accountants' Statement of Auditing Standard 44, to include risk assessment, flowcharting, compliance, and substantive testing.

Office of Information Resources Management (OIRM)

TITLE: Departmental Controls Over Major IRM Acquisitions

OBJECTIVE(S): Determine if controls over the process of technical approval of major ADP acquisitions and the delegation of procurement authority are adequate to ensure that ADP acquisitions are technically feasible and comply with applicable Federal and departmental regulations.

TITLE: Administration of Departmental IRM Security

OBJECTIVE(S): Determine if OIRM is properly administering the departmental program for security and control of ADP resources.

TITLE: Security and Control of the National Computer Center

OBJECTIVE(S): Determine if corrective actions have been taken in response to our previous audit recommendations of computer systems security, and whether those actions adequately addressed the recommendations. Determine compliance with the Office of Management and Budget's directive on computer systems security and integrity.

TITLE: National Computer Center-Fort Collins Conversion of Agency Application Systems to the National Computer Center-Kansas City

OBJECTIVE(S): Determine if the overall conversion plan and process are effective, necessary controls are programmed into the conversion systems, and the converted systems will be adequately tested before becoming operational.

Office of Operations

TITLE: Title 31 Review of Contracted Advisory and Assistance Services

OBJECTIVE(S): Determine whether USDA agencies are in compliance with Title 31 U.S.C. which requires an evaluation of progress in establishing management controls over contracts for consulting services.

ASSISTANT SECRETARY
FOOD AND CONSUMER SERVICES

Food and Nutrition Service (FNS)

TITLE: FNS FY 1991 Financial Statements

OBJECTIVE(S): Determine if FNS' financial statements are fairly presented in accordance with generally accepted accounting principles, internal accounting controls are adequate, and FNS complies with laws and regulations.

TITLE: Food Stamp Program (FSP) Error Rate Reduction

OBJECTIVE(S): Evaluate FNS oversight activities and State agency operations for compliance with program requirements to develop and monitor corrective action plans which reduce issuance error rates identified by FSP quality control reviews.

TITLE: Bank Monitoring System Redesign

OBJECTIVE(S): Continue to monitor the implementation of the redesigned bank monitoring system to improve the accountability of food stamp redemptions.

TITLE: Effectiveness of FNS' Sanction Process

OBJECTIVE(S): Evaluate the effectiveness of the sanction process in obtaining compliance with regulations and protecting USDA's financial interests.

TITLE: State Agency Distribution of Food Coupons Through Contracted Entities

OBJECTIVE(S): Assess State agency internal controls over the distribution of food coupons to recipients through contracted agents, and test for fraud.

TITLE: Employment and Training Program (E&TP) Administration

OBJECTIVE(S): Determine if FNS procedures, guidelines and instructions for administering and monitoring the E&TP are adequate and effective and if the program is targeting eligible recipients.

TITLE: Food Stamp Program Quality Control Activities

OBJECTIVE(S): Evaluate FNS' policies and procedures over the Food Stamp Program's quality control activities to ensure that statistical samples are properly selected, reviews are effectively performed, followup actions are taken, payment error rates are correctly determined, and State claims are timely processed.

TITLE: Food Stamp Program Administrative Costs

OBJECTIVE(S): Determine whether FNS has tightened controls to prevent States from claiming ineligible administrative costs.

TITLE: National School Lunch Program Federal Review System

OBJECTIVE(S): Determine the effectiveness of FNS' Federal reviews in implementing corrective action to improve National School Lunch Program accountability.

TITLE: Child Nutrition Program Administrative Costs

OBJECTIVE(S): Determine the propriety of State agency claims for administrative cost reimbursements and whether proper controls exist over State agency administrative costs.

TITLE: WIC Vendor Monitoring

OBJECTIVE(S): Determine if FNS has implemented corrective actions as a result of our previous audit of vendor monitoring, and if the changes have been effective in preventing or detecting vendor violations.

TITLE: Administrative Costs Claimed in WIC

OBJECTIVE(S): Determine whether FNS has improved controls to ensure that administrative costs are properly claimed.

TITLE: FNS' Monitoring of the Food Distribution Program (FDP)

OBJECTIVE(S): Determine whether FNS is monitoring the FDP in such a way that commodities and funds are safe from waste and mismanagement.

TITLE: Evaluation of the Effectiveness of Single Audits

OBJECTIVE(S): Evaluate the use of the single audit by FNS and State program officials as a management tool to monitor school districts' National School Lunch Program operations.

TITLE: Financial Management Operations

OBJECTIVE(S): Evaluate FNS' procedures and controls over authorizations, cash drawdowns, and program advances to State agencies.

ASSISTANT SECRETARY
SCIENCE AND EDUCATION

Agricultural Research Service (ARS)

TITLE: Evaluation of Agency Internal Controls Over Research

OBJECTIVE(S): Evaluate controls over research performed at ARS laboratories to ensure that research funds are being expended on projects approved by the National Programs Staff and determine whether these projects are within the mission and consistent with the priorities of the agency.

TITLE: Research Activities

OBJECTIVE(S): Evaluate the long-range project planning and implementation systems of ARS to determine if funds are directed toward high priority research needs, controls over the planning process are adequate to achieve agency and departmental objectives, and that research products are appropriately distributed to the agricultural community.

Cooperative State Research Service (CSRS)

TITLE: Integrity of Research Technology

OBJECTIVE(S): Determine if research goals are clearly defined; ensure that coordination exists among the Department's research agencies; evaluate controls over quality, progress, and results of research projects; and determine if appropriate research products are adequately distributed to the agricultural community.

TITLE: Small Business Innovative Research (SBIR) Grants

OBJECTIVE(S): Evaluate the effectiveness of the USDA SBIR program in promoting research supportive of departmental objectives, evaluate controls over recipients, and determine if funds were properly expended.

ASSISTANT SECRETARY
NATURAL RESOURCES AND ENVIRONMENT

Forest Service (FS)

TITLE: Review of FS Concessionaires

OBJECTIVE(S): Determine the adequacy of the fee calculation formula used by the FS, and whether a fair market value is received for permits. Determine if corrective actions have been implemented on prior audits of fees by OIG and the U.S. General Accounting Office.

TITLE: FS FY 1991 Financial Statements

OBJECTIVE(S): Determine if FS' financial statements are fairly presented in accordance with generally accepted accounting principles, internal accounting controls are adequate, and FS complies with laws and regulations.

TITLE: Yearend Procurements

OBJECTIVE(S): Determine if FS actions on procurements identified in prior audits are proper and adequate, including identification and reporting of Antideficiency Act and bona fide needs violations.

TITLE: Forest Development Road Maintenance Agreements

OBJECTIVE(S): Determine cost-effectiveness of Road Maintenance Agreements whereby FS and local authorities trade maintenance responsibilities and costs for roads. Ascertain the consistency of efforts between the various forests on maintenance trade-offs and additional maintenance expenses to the FS.

TITLE: Timber Sale Cruising

OBJECTIVE(S): Evaluate controls over timber sale cruising to determine estimated sale volume and to determine the need for additional control.

TITLE: Timber Sale Financial Security

OBJECTIVE(S): Identify and evaluate the systems to assess the risk of future defaults during periods of high bid values. Determine the need for additional financial security measures to reduce the Government's exposure to monetary losses and if corrective actions have been taken to improve financial ability reviews and contract defaults.

TITLE: Log Exports

OBJECTIVE(S): Identify and evaluate controls to prevent timber purchasers from exporting logs cut from national forests.

Soil Conservation Service (SCS)

TITLE: Conservation Compliance Provisions

OBJECTIVE(S): Determine the effectiveness of the SCS' status review process and the extent of producer compliance with their conservation plan.

TITLE: Followup Evaluation on Revisions of Conservation Plans

OBJECTIVE(S): Determine if conservation plans are being reviewed in a timely manner, if needed revisions are identified, and if adequate plan revisions made.

ASSISTANT SECRETARY
MARKETING AND INSPECTION SERVICES

Agricultural Marketing Service (AMS)

TITLE: National Dairy Promotion and Research Program

OBJECTIVE(S): Determine whether actions proposed to address deficiencies in AMS' oversight have been implemented and are effective.

TITLE: Certification of Meat and Poultry Products Purchased by the Federal Government

OBJECTIVE(S): Survey the effectiveness of AMS' certifications of the quality of processed meat and poultry products purchased by U.S. Government agencies.

TITLE: Handler Compliance with Marketing Orders

OBJECTIVE(S): Evaluate the adequacy of AMS' internal controls over compliance with marketing orders. Based on the level of controls over the program, we will also test compliance by a selected number of handlers.

Animal and Plant Health Inspection Service (APHIS)

TITLE: Implementation of the Animal Welfare Act

OBJECTIVE(S): Evaluate APHIS' monitoring and oversight of animal breeders' and dealers' handling of animals.

TITLE: National Poultry Improvement Plan

OBJECTIVE(S): Determine the effectiveness of the National Poultry Improvement Plan in improving poultry-breeding stock and hatchery and preventing certain poultry diseases.

Federal Grain Inspection Service (FGIS)

TITLE: Designated Inspection Agencies

OBJECTIVE(S): Determine the adequacy of FGIS' oversight of the interior grain inspection system.

Food Safety and Inspection Service (FSIS)

TITLE: Imported Meat Process

OBJECTIVE(S): Determine whether prior audit recommendations have been implemented and corrective actions are functioning as prescribed. Review internal control procedures to ensure that they are in place and functioning.

TITLE: Microbial Monitoring and Surveillance

OBJECTIVE(S): Determine whether FSIS has established and implemented adequate controls in the microbial monitoring and surveillance program, which includes oversight of non-Federal laboratories.

TITLE: Monitoring of State Inspection Activities

OBJECTIVE(S): Evaluate FSIS' controls and procedures to ensure that State meat and poultry inspection programs are at least equal to those at the Federal level.

TITLE: Import Office Operations

OBJECTIVE(S): Assess the operation of FSIS import offices and FSIS' system for monitoring and controlling chemical residues in imported meat. Evaluate national office policies and procedures and reporting of residue results.

MULTIPLE AGENCY AUDITS

TITLE: Development of Nationwide Pesticide Usage Data

OBJECTIVE(S): Monitor the effectiveness and efficiency of the departmentwide food safety initiative regarding nationwide pesticide usage data. Determine whether information to be collected provides an adequate basis to resolve questions affecting national and international trade.

TITLE: USDA Consolidated FY 1991 Financial Statements

OBJECTIVE(S): Determine if USDA's consolidated financial statements are fairly presented in accordance with generally accepted accounting principles, internal accounting controls are adequate, and USDA complies with laws and regulations.

TITLE: Survey of USDA Revolving Funds

OBJECTIVE(S): Determine if funds with the highest vulnerability for mismanagement are operating in accordance with the laws which established them, and evaluate the oversight of the financial activities of each of the vulnerable funds.

TITLE: Security and Control of Sensitive USDA Systems

OBJECTIVE(S): Evaluate the security controls implemented over sensitive USDA systems. Determine whether agencies have performed a certification of the adequacy of security safeguards of sensitive applications.

TITLE: Adequacy of Agency Access Controls

OBJECTIVE(S): Determine if USDA agencies have properly protected data and programs by implementing adequate ADP system and network access controls.

TITLE: Field Office Automation Acquisitions - FmHA, ASCS, SCS, FS, APHIS

OBJECTIVE(S): Monitor the agencies' field office automation system acquisition activities. Evaluate interim plans to update current systems until new systems are purchased.

TITLE: Quality of Audits Performed by Non-Federal Auditors

OBJECTIVE(S): Determine whether the quality of audits of financial assistance performed by Certified Public Accountants has improved based on revised auditing standards and additional controls implemented by program agencies.

TITLE: Hazardous Underground Storage Tanks

OBJECTIVE(S): Determine the status of USDA efforts to comply with Federal and State requirements for installation and maintenance of underground storage containers, and evaluate agency effectiveness in identifying, assessing, reporting, and tracking the use of underground storage tanks.

TITLE: Water Quality Enhancement

OBJECTIVE(S): Evaluate the effectiveness and efficiency of USDA's water quality initiative, review plans, coordination, and status of implementation.

TITLE: Implementation of Anti-Lobbying Requirements

OBJECTIVE(S): Determine whether agencies have implemented controls to ensure compliance with Title 31 U.S.C. 1352 which imposes restrictions on the use of appropriated funds to influence certain Federal contracting and financial transactions.

APPENDIX III
FY 1992 AUDITS PLANNED

APPENDIX III

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION ASSIST REGIONS	STAFF DAYS
AMS	POULTRY GRADING ACTIVITIES	SER	40
	MANAGEMENT OF VOLUNTARY INSPECTION AND GRADING PROGRAMS	SER	150
	MANAGEMENT OF THE SHIPPING POINT INSPECTION PROGRAM, FRUITS & VEGETABLES DIVISION	SER	185
	CERTIFICATION OF MEAT AND POULTRY PRODUCTS PURCHASED BY THE FEDERAL GOVERNMENT	MWR	100
	DAIRY PROMOTION PROGRAM	MWR	250
	PROCUREMENT AND QUALITY OF DAIRY PRODUCTS IN CHILD NUTRITION PROGRAM	GPR	100
	HANDLER COMPLIANCE WITH MARKETING ORDERS - SURVEY	WR	150
	AUDIT MANAGEMENT AND LIAISON	ALL	322
	SUBTOTAL 1297		
APHIS	ASSESSMENT OF USER FEES	SER	125
	NATIONAL POULTRY IMPROVEMENT PLAN	SER	75
	IMPLEMENTATION OF THE ANIMAL WELFARE ACT	MWR	100
	RELEASE OF BIOENGINEERED PRODUCTS	NER	75
	ANIMAL DAMAGE CONTROL - COOPERATIVE AGREEMENTS	GPR	100
	CONTROLS OVER PHYTOSANITARY CERTIFICATES	WR	100
	MEDFLY ERADICATION PROJECT IN CA	WR	100
	AUDIT MANAGEMENT AND LIAISON	ALL	223
	SUBTOTAL 898		
ARS	AGENCY INTERNAL CONTROLS OVER RESEARCH	SER	125
	RESEARCH ACTIVITIES	SWR	100
	AUDIT MANAGEMENT AND LIAISON	ALL	74
	SUBTOTAL 299		
ASCS	PEANUT PRICE SUPPORT PROGRAM	SER	120
	MARKETING LOAN PROGRAM OBJECTIVES AND ACCOMPLISHMENTS	SER	75
	COMMODITY LOAN AND FARMER-OWNED RESERVE PROGRAMS	MWR	100
	COMPLIANCE WITH THE AGRICULTURAL RESOURCE CONSERVATION PROGRAM	MWR	100
	STATE AND COUNTY OFFICE PROCUREMENT ACTIVITIES	MWR	100
	BUTTER INVENTORIES	MWR	75
	SURVEY OF THE CASH RECEIPTS ALLOCATION PROCESS AT KCMO	FMS	75

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
ASCS	COMMODITY CERTIFICATE ACCOUNTING SYSTEM AND RELATED PROGRAM CONTROLS - FOLLOWUP REVIEW	FMS		50
	CCC FINANCIAL STATEMENTS - FY 1990	FMS	NER	100
	CCC FINANCIAL STATEMENTS - FY 1991	FMS	ALL REGIONS	2250
	CCC FINANCIAL STATEMENTS - FY 1992	FMS	ALL REGIONS	1050
	WAREHOUSE PROBLEMS PHASE II	FMS		100
	UPLAND COTTON USER MARKETING CERTIFICATES PROGRAM	FMS		150
	COMPLIANCE WITH TRAVEL REGULATIONS	HQ	FMS	100
	1991 CABS AND YIELDS	GPR	MWR SWR WR	340
	MANAGEMENT OF COUNTY OFFICE OPERATIONS	GPR	MWR NER WR SWR	900
	USDA EMPLOYEES' PROGRAM PARTICIPATION	GPR	SER MWR WR SWR	450
	MALTING BARLEY ASSESSMENT	GPR		100
	CONSERVATION COST SHARE RATES	GPR		100
	PAYMENT LIMITATION SCHEMES AND DEVICES	GPR		100
	WETLAND RESERVE PROGRAM	GPR		50
	DISASTER ASSISTANCE PAYMENTS FOR NON PROGRAM CROPS	SWR		400
	LOANS TO COOPERATIVES	SWR		100
	VIOLATION OF 50-92 PROVISIONS BY RICE AND COTTON PRODUCERS	SWR		100
	WOOL AND MOHAIR PRICE SUPPORT PAYMENT LIMITATION PROVISIONS	SWR	GPR WR	150
	IMPLEMENTATION OF HONEY PAYMENT LIMITATION - 1991	SWR		100
	1990 SUGARCANE DISASTER PROGRAM	SWR		150
	OILSEED COMMODITIES PLACED UNDER CCC LOAN	SWR	GPR	150
	MAXIMUM PAYMENT LIMITATION	SWR	SER GPR WR	900
	STATE OFFICE PAYMENT LIMITATION DETERMINATIONS - 1991	SWR		50
	DEFICIENCY PAYMENT AND PRICE SUPPORT ELIGIBILITY	SWR		150
	AUDIT MANAGEMENT AND LIAISON	ALL		2883
	SUBTOTAL			11618
CSRS	INTEGRITY OF RESEARCH/TECHNOLOGY	NER		150
	SMALL BUSINESS INNOVATION RESEARCH GRANT AWARDS	GPR		200
	AUDIT MANAGEMENT AND LIAISON	ALL		116
	SUBTOTAL			466

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FAS	EXPORT ENHANCEMENT PROGRAM	NER		35
	EXPANDED GSM PRICING REVIEW	NER		128
	EVALUATION OF FOREIGN RISK ANALYSIS	NER		150
	PL-480, TITLE I AND III PROGRAMS	NER		100
	MARKET PROMOTION, FOREIGN ORIGIN COMM.	NER		100
	SECTION 416 PROGRAM	NER		50
	AUDIT MANAGEMENT AND LIAISON	ALL		186
	SUBTOTAL	749		
FCIC	SHARING OF UNDERWRITING GAINS AND LOSSES	FMS		75
	UNDER THE REINSURANCE PROGRAM			
	STRATEGIC EVALUATION OF POTENTIAL	FMS		100
	PROBLEMS AREAS/ISSUES			
	FY 1991 FCIC FINANCIAL STATEMENTS	HQ		50
	COMMISSIONS PAID TO REINSURED COMPANIES	NER		100
	LARGE CROP YEAR 1991 CLAIMS	GPR		75
	REORGANIZATION OF APPEALS STAFF AND	GPR		100
	ASSESSMENT OF HEARING OFFICER DECISIONS			
	UNDERWRITING CROP PROGRAMS	WR		100
	UNIT DETERMINATIONS	SWR		150
	AUDIT MANAGEMENT AND LIAISON	ALL		248
	SUBTOTAL	998		
FGIS	DESIGNATED GRAIN INSPECTION AGENCIES	SWR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		17
	SUBTOTAL	67		
FMHA	INTEREST ASSISTANCE PROGRAM AND IRBD/ IA PAYMENTS - FY 1991-1992	SER	MWR GPR SWR	700
	B&I LOAN LIQUIDATION REQUESTS	SER		50
	REGULATORY/LEGISLATIVE CHANGES NEEDED TO STRENGTHEN FMHA'S FP LOAN PORTFOLIO	SER		80
	INITIATIVES TO LITIGATE BACKLOGGED DEBT	SER		105
	COMPLIANCE WITH THE NINE POINT GUARANTEED LOAN STANDARDS	SER		100
	RRH CONTRACT APPRAISAL PROCESS	MWR		100
	BORROWER ELIGIBILITY FOR LIMITED RESOURCE LOANS	MWR		100
	RRH CONSTRUCTION ACTIVITIES	MWR		50
	SERVICING OF DELINQUENT RRH LOANS	MWR		75
	RRH OPERATIONS IN ILLINOIS	MWR		200
	RRH RENTAL ASSISTANCE AND INTEREST CREDIT PROGRAM	MWR		75
	MANAGEMENT OF THE RURAL HOUSING LOAN PROGRAM	MWR		100

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FMHA	COUNTY OFFICE OPERATIONS - ILLINOIS	MWR		300
	CASH MANAGEMENT AND ACCOUNTABILITY OVER LOAN FUNDS	MWR		100
	GUARANTEED LOAN ACCOUNTING SYSTEM	FMS		100
	FY 1991 FMHA FINANCIAL STATEMENTS	FMS	ALL REGIONS	2225
	FY 1992 FMHA FINANCIAL STATEMENTS	FMS	ALL REGIONS	1150
	SURVEY OF FMHA ACQUIRED PROPERTY TRACKING SYSTEM - PHASE V	FMS		50
	SECURITY REVIEW OF FMHA'S AUTOMATED PRODUCTION CONTROL SYSTEM	FMS		50
	FMHA FINANCE OFFICE FOLLOW-UP AUDIT	FMS		100
	SURVEY FMHA CONTRACT FOR ADP AND IRM SUPPORT SERVICES	FMS		100
	RURAL HOUSING AND RURAL RENTAL HOUSING DEBT MANAGEMENT- ADMINISTRATIVE OFFSETS	NER		200
	RRH BORROWERS RECEIVING DUPLICATE BENEFITS FROM HUD	NER		200
	AGRICULTURAL LOAN MEDIATION PROGRAM	GPR		50
	DECISIONS TO ACQUIRE FARM PROPERTIES	GPR		100
	RURAL RENTAL HOUSING SERVICING OF HUD SECTION 8/515 PROJECTS	GPR	SER MWR NER	480
	INDIAN TRIBAL LAND ACQUISITION PROGRAM LOAN APPROVAL AND SERVICING	GPR		100
	DEBT WRITEOFF	GPR		150
	B&I LOAN SERVICING - SAMPLE LOANS AND AUDIT PROGRAM	WR		150
	B&I LOAN SERVICING - NATIONWIDE AUDIT	WR	SER MWR NER SWR	1200
	DEBT RESTRUCTURING PROVISIONS - MONITORING	WR		200
	EMERGENCY LOANS FOR FREEZE DISASTER IN CA	WR		100
	FARMER PROGRAM LOANS MADE SUBSEQUENT TO NET RECOVERY BUYOUTS	SWR		150
	GUARANTEED RURAL HOUSING LOANS	SWR		25
	GUARANTEED COMMUNITY PROGRAM LOANS	SWR		50
	SUBSEQUENT LOANS TO BORROWERS WHO RECEIVED DEBT WRITEDOWNS	SWR		375
	SECONDARY MARKET FOR FARMER PROGRAM GUARANTEED LOANS	SWR		50
	RURAL RENTAL HOUSING CONSTRUCTION COST IN LOUISIANA	SWR		75
	DEBT RESTRUCTURING OF FARMER PROGRAM GUARANTEED LOANS	SWR	MWR, GPR	600
	INDUSTRIAL DEVELOPMENT GRANT PROGRAM	SWR		50
	FARM OWNERSHIP LOANS FOR THE SOCIALLY DISADVANTAGED	SWR		50
	AUDIT MANAGEMENT AND LIAISON	ALL		3405
	SUBTOTAL			13720

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST	REGIONS	STAFF DAYS
FNS	WIC ADMINISTRATIVE COSTS	SER	MWR	NER WR SWR	540
	FOOD STAMP PROGRAM - ERROR RATE REDUCTION	SER			110
	NSLP INCOME VERIFICATION PROCESS	MWR			50
	FINANCIAL MANAGEMENT OPERATIONS	MWR	SER	NER GPR WR	575
	DISTRIBUTION OF FOOD COUPONS THROUGH CONTRACTED ENTITIES	MWR	NER	GPR WR	900
	NATIONAL SCHOOL LUNCH PROGRAM - CHICAGO BOARD OF EDUCATION	MWR			450
	COMPUTER MATCHING TO DETECT RECIPIENT FRAUD IN THE FOOD STAMP PROGRAM	MWR			150
	WIC - VENDOR MONITORING	MWR			100
	VENDOR DISQUALIFICATIONS FROM FNS PROGRAMS	MWR			50
	FOOD STAMP PROGRAM - CASEWORKER INTEGRITY	MWR			100
	FOOD STAMP PROGRAM - OHIO STATE AGENCY COMPUTER SYSTEM	MWR			150
	FOOD STAMP PROGRAM - RETAILER AND WHOLESALE INVESTIGATIONS	MWR			100
	FOOD STAMP PROGRAM - PROCESSING OF CLAIMS	MWR			200
	FOOD STAMP PROGRAM - QUALITY CONTROL ACTIVITIES	MWR			100
	FSP CASEFILE DOCUMENTATION/NYC	NER			200
	ADMINISTRATIVE COSTS-FOOD STAMP PROGRAM/NYC	NER			200
	NY- ADMINISTRATION/MANAGEMENT OF WIC PROGRAM	NER			200
	VT - ADMINISTRATION/MANAGEMENT OF WIC	NER			50
	NATIONAL SCHOOL LUNCH PROGRAM	NER			180
	BANK MONITORING SYSTEM REDESIGN FOLLOWUP	NER			255
	NUTRITION ASSISTANCE PROGRAM	NER			180
	ADMINISTRATIVE COSTS				
	EMPLOYMENT AND TRAINING PROGRAM	NER	SER		400
	FY 1991 FINANCIAL STATEMENTS, FNS	NER	ALL	REGIONS	2580
	FY 1992 FINANCIAL STATEMENTS, FNS	NER			300
	EFFECTIVENESS/USE OF PILOT PROJECT RESULTS	NER	SWR		200
	FOOD DISTRIBUTION PROGRAM	NER	SER	MWR WR SWR	600
	CLAIMS MANAGEMENT - FOOD STAMP PROGRAM	NER			100
	FOOD STAMP PROGRAM - STATE OF MA.	NER			120
	FOOD DISTRIBUTION MANAGEMENT AND CONTROLS	NER			75
	CROSS STATE MATCHING OF FOOD STAMP PROGRAM PARTICIPATION	GPR			75
	EFFECTIVENESS OF SINGLE AUDITS	GPR			100
	SCHOOL LUNCH PROGRAM AT KANSAS CITY, MISSOURI SCHOOL DISTRICT	GPR			30
	STATE SEVERE NEED REIMBURSEMENT	GPR			100
	PAYMENT SYSTEMS FOR NSLP AND SBP				
	FOOD STAMP PROGRAM - ADMINISTRATIVE COSTS - FOLLOWUP	WR			100
	SCHOOL LUNCH & BREAKFAST PROGRAMS - STATE AGENCY ADMINISTRATION - WESTERN STATES	WR			150

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
FNS	EFFECTIVENESS OF TX FSP USE OF INS SYSTEMATIC ALIEN VERIFICATION FOR ENTITLEMENTS SYSTEM	SWR		50
	FSP - DUPLICATE ISSUANCES AND MAIL ISSUANCE LOSSES IN TEXAS	SWR		100
	AUDIT MANAGEMENT AND LIAISON	ALL		3275
	SUBTOTAL	13195		
FS	CONTROLS OVER TIMBER SALE ADMINISTRATION REGION 8	SER		200
	CG DECISIONS REGARDING SELECTED FS YEAREND PROCUREMENT	SER		125
	FS FINANCIAL STATEMENTS - FY 1991	SER	ALL REGIONS	3900
	FS FINANCIAL STATEMENTS - FY 1992	SER	ALL REGIONS	1325
	SALVAGE SALE FUND - COLLECTIONS AND EXPENDITURES	SER		250
	UTILIZATION OF EXCESS TIMBER RECEIPTS	SER		40
	COMPLIANCE WITH APPROPRIATION LAWS FOR CONSTRUCTION AND MAJOR ACQUISITION	SER		105
	ADMINISTRATIVE USE OF AIRCRAFT	SER	GPR WR	100
	COMPLIANCE WITH TRAVEL REGULATIONS	HQ	FMS	100
	NORTHEASTERN URBAN FORESTRY	NER		100
	RIGHT-OF-WAY ACQUISITIONS	GPR		100
	FOREST DEVELOPMENT ROAD MAINTENANCE AGREEMENT	GPR		100
	ACTIVITIES TO INVENTORY AND RESOLVE ENCROACHMENTS	GPR		90
	FIRE PRESUPPRESSION FUNDS	WR		100
	LOG EXPORTS	WR		100
	RESORT LAND EXCHANGES	WR		100
	TIMBER SALE CRUISING	WR		300
	TIMBER SALE FINANCIAL SECURITY	WR		100
	REVIEW OF FS CONCESSIONAIRES	WR		700
	RANGE MANAGEMENT - SOUTHWESTERN REGION	SWR		125
	AUDIT MANAGEMENT AND LIAISON	ALL		2661
	SUBTOTAL	10721		
FSIS	MICROBIAL MONITORING AND SURVEILLANCE	SER		100
	IMPORT OFFICE OPERATIONS	SER		50
	STATE MEAT AND POULTRY INSPECTION ACTIVITIES	MWR		100
	COMPLIANCE ACTIVITIES OVER THE MARKETING OF MEAT AND POULTRY PRODUCTS	MWR		100
	IMPORTED MEAT PROCESS	NER		100
	AUDIT MANAGEMENT AND LIAISON	ALL		149
	SUBTOTAL	599		

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
MULT	HAZARDOUS UNDERGROUND STORAGE TANKS	SER		25
	USDA LABORATORIES' HAZARDOUS MATERIAL MANAGEMENT	SER		75
	DEVELOPMENT OF NATIONWIDE PESTICIDE USAGE DATA	SER		50
	CLEANUP COSTS INCURRED UNDER SELECTED INTERAGENCY AGREEMENTS	SER		100
	PLANNING, OBLIGATION, AND REPORTING ON THE DEPARTMENT'S HAZARDOUS WASTE PROGRAM	SER		75
	IMPLEMENTATION OF THE RURAL ECONOMIC DEVELOPMENT ACT	SER		150
	IMPLEMENTATION OF ANTI-LOBBYING REQUIREMENTS	SER		100
	AIRCRAFT MANAGEMENT	SER		100
	ADJUSTED WORLD PRICES - COTTON AND RICE	SER		25
	QUALITY OF CPA AUDITS OF USDA FINANCIAL ASSISTANCE	MWR	SER NER GPR WR	1050
	AGENCY ACTIONS IN RESPONSE TO CONVERSION OF MORTGAGED COLLATERAL	MWR		75
	FY 1991 USDA FINANCIAL STATEMENTS	FMS		900
	FY 1992 USDA FINANCIAL STATEMENTS	FMS		200
	FIELD OFFICE AUTOMATION ACQUISITIONS, FMHA, ASCS, SCS, FS AND APHIS	FMS		150
	SECURITY AND CONTROL OF SENSITIVE USDA SYSTEMS	FMS		150
	ADEQUACY OF AGENCY ACCESS CONTROLS	FMS		40
	SURVEY OF USDA REVOLVING FUNDS	FMS		100
	EFFECTIVENESS OF MANDATORY CROP INSURANCE PROVISIONS	FMS		200
	USDA LOCKBOX OPERATIONS	FMS		75
	COORDINATION OF PROGRAM ACTIVITIES-FAS & OICD	NER		75
	LETTER OF CREDIT FINANCIAL SYSTEM	NER		100
	ALLOCATION OF CUSTOM RECEIPTS DUE USDA	NER		100
	FMFIA EVALUATION OF USDA ACTIVITIES -FY 1991	NER		100
	CCC ANALYSIS OF CLAIMS PROCESS	NER		200
	P.L. 480, TITLE I-SHIPPING REGULATIONS	NER		100
	FOREIGN DEBT MANAGEMENT	NER		100
	CONSERVATION RESERVE PROGRAM BID EVALUATION PROCEDURES	GPR	SER MWR WR SWR	320
	CONSERVATION EASEMENTS ON ACQUIRED PROPERTY	GPR		100
	WATER QUALITY ENHANCEMENT	GPR		75
	CONTRACT ADMINISTRATION & MODIFICATIONS - EQUITABLE ADJUSTMENT CLAIMS, FS, SCS	WR		150
	SURVEY OF UNLIQUIDATED OBLIGATIONS	SWR		50

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
MULTI	FY 1992 AUDIT ASSIST TIME	FMS		200
	CAPTAIN MAINTENANCE	FMS		300
	AUDIT FOLLOWUP	ALL		1250
	SPECIAL REQUESTS	ALL		2947
	AUDITS OF CONTRACTS	ALL		650
	MANAGEMENT OF SINGLE AUDIT	ALL		835
	CONTRACTS WITH CPA/IPA FIRMS		MWR NER SWR	350
	AUDIT MANAGEMENT AND LIAISON	ALL		3843
	SUBTOTAL			15485
NASS	ACCURACY OF NATIONAL AVERAGE PRICES FOR WHEAT AND FEED GRAINS	SER		200
	MANAGEMENT AND SECURITY OVER LOCAL AREA NETWORKS AND STATISTICAL FORECASTING DATA	FMS		50
	AUDIT MANAGEMENT AND LIAISON	ALL		83
	SUBTOTAL			333
OFM	USDA'S ADMINISTRATIVE INTEGRATED MANAGEMENT SYSTEM (AIMS) - PHASES II-III	FMS	SER SWR	115
	USDA'S AIMS PROJECT - PHASES IV AND V	FMS	SER SWR	300
	EFFICIENCY OF USDA TRAVEL SYSTEM CONTROLS AND PAYMENT OPERATIONS	FMS		100
	SELECTED ASPECTS OF COMPUTER SECURITY AT OFM/NFC	FMS		250
	NFC GENERAL CONTROLS REVIEW	HQ		50
	AUDIT MANAGEMENT AND LIAISON	ALL		269
	SUBTOTAL			1084
OIRM	NCC-FC CONVERSION OF AGENCY APPLICATION SYSTEMS TO THE NCC-KC	FMS		50
	SECURITY AND CONTROL OF THE NATIONAL COMPUTER CENTER	FMS		200
	ADMINISTRATION OF DEPARTMENTAL IRM SECURITY	FMS		25
	DEPARTMENTAL CONTROLS OVER MAJOR IRM ACQUISITIONS	FMS		150
	AUDIT MANAGEMENT AND LIAISON	ALL		140
	SUBTOTAL			565
OO	CONTRACTED ADVISORY AND ASSISTANCE SERVICES	NER		200
	AUDIT MANAGEMENT AND LIAISON	ALL		66
	SUBTOTAL			266

FISCAL YEAR 1992 AUDITS PLANNED

AGENCY	TITLE	LEAD REGION	ASSIST REGIONS	STAFF DAYS
REA	LOAN ACCOUNTING SYSTEM REDESIGN	FMS		50
	FY 1991 REA FINANCIAL STATEMENTS	HQ		50
	FINANCIAL NEED CRITERIA - TELEPHONE PROGRAM	SWR		100
	FINANCIAL INVESTMENTS IN RURAL AREAS	SWR	SER MWR GPR WR	360
	AUDIT MANAGEMENT AND LIAISON	ALL		185
	SUBTOTAL			745
SCS	CONSERVATION COMPLIANCE PROVISIONS	GPR	SWR	400
	REVISIONS TO REQUIRED CONSERVATION PLANS	GPR		275
	AUDIT MANAGEMENT AND LIAISON	ALL		223
	SUBTOTAL			898
GRAND TOTAL STAFF DAYS	74000			

